

the Treasury be laid before the Senate. The nomination has been reported by me from the Committee on Finance.

The PRESIDING OFFICER. Without objection, the nomination will be read.

The legislative clerk read the nomination of Wayne C. Taylor, of Illinois, to be Assistant Secretary of the Treasury.

Mr. HARRISON. Mr. President, I should like to say to the Senator from Oregon [Mr. McNARY] that I ask unanimous consent that this nomination be confirmed today, for the reason that the Senate is about to take a recess until Thursday; and as the Treasury Department is without an Under Secretary, the Secretary of the Treasury has called me up and said that it is very material that the nomination of Mr. Taylor to be Assistant Secretary be confirmed today. The nomination was unanimously favorably reported by the Finance Committee.

Mr. LEWIS. Mr. President, to the endorsement and approval of the Senator from Mississippi [Mr. HARRISON] I should like to add my endorsement of the nominee, as well as that of my colleague [Mr. DIETERICH].

Mr. McNARY. Mr. President, the Secretary of the Treasury spoke to me about this nomination this morning. I have conferred with the Republican members of the Finance Committee, and under the circumstances I have no objection to the nominee being confirmed today.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HARRISON. I ask unanimous consent that the President be notified immediately of the confirmation of Mr. Taylor.

The PRESIDING OFFICER. Without objection, the President will be notified.

TAX EXEMPTION OF RECEIPTS FROM OLYMPIC GAMES

The Senate resumed legislative session.

Mr. McADOO. Mr. President, out of order, I ask unanimous consent for the consideration of a bill which has been reported today by the Finance Committee, and has been approved by the Secretary of the Treasury. I refer to the bill (S. 3410) to exempt from taxation receipts from the operation of Olympic games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles.

The PRESIDING OFFICER (Mr. ASHURST in the chair). Is there objection to the present consideration of the bill?

Mr. McNARY. Mr. President, no report has been filed with this bill, and it was reported from the Finance Committee only this morning.

Mr. COUZENS. Mr. President, I am unable to see the emergency calling for the passage of this bill today.

Mr. McADOO. I may say to the Senator from Michigan that the committee made its report today. This is a non-controversial matter. The bill merely permits the State of California and the city of Los Angeles and the county of Los Angeles to have some money to which they are entitled.

Mr. COUZENS. I do not see any objection to waiting until Thursday to consider this measure.

Mr. McADOO. If the Senator has any objection, I can explain the bill to him.

Mr. COUZENS. I prefer that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over and go back to the calendar.

PANAMA CANAL TOLLS

Mr. GORE. Mr. President, I desire to give notice that at the earliest opportunity I shall move the consideration of Senate bill 2288, in relation to Panama Canal tolls. An elaborate and detailed report has been submitted on the bill, which has been materially amended since it was last discussed in the Senate. I invite Senators in the meantime to give attention to the report.

RECESS TO THURSDAY

Mr. ROBINSON. I move that the Senate take a recess, pursuant to the order heretofore entered.

The motion was agreed to; and (at 3 o'clock p. m.) the Senate, under the order previously entered, took a recess until Thursday, February 20, 1936, at 12 o'clock meridian.

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NOMINATIONS

Executive nominations received by the Senate February 18 (legislative day of Jan. 16), 1936

DIPLOMATIC AND FOREIGN SERVICE

Benjamin Reath Riggs, of Pennsylvania, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

PUBLIC WORKS ADMINISTRATION

George D. Andrews, of Pennsylvania, to be State director of the Public Works Administration in Pennsylvania.

Kenneth W. Markwell, of Tennessee, to be State director of the Public Works Administration in Tennessee.

COLLECTOR OF CUSTOMS

Martin O. Bement, of Buffalo, N. Y., to be collector of customs for customs collection district no. 9, with headquarters at Buffalo, N. Y., to fill an existing vacancy.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 18 (legislative day of Jan. 16), 1936

ASSISTANT SECRETARY OF THE TREASURY

Wayne C. Taylor to be Assistant Secretary of the Treasury.

INTERSTATE COMMERCE COMMISSION

Clyde B. Aitchison to be Interstate Commerce Commissioner.

Claude R. Porter to be Interstate Commerce Commissioner.

POSTMASTERS

SOUTH DAKOTA

Justin J. Snyder, Stephan.

Frank A. Allen, Wolsey.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 18, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Great and marvelous are Thy works, Lord God Almighty; just and true are Thy ways. Oh, the depth of Thy riches, both of Thy wisdom and knowledge; how unsearchable are Thy judgments; and Thy ways are past finding out. Heavenly Father, we dare put our faith in Thee and in Thy ultimate purpose; we know that we shall not be confounded. We pray that the path of duty walked with Thee may be the path of enchantment, an unending spring of peace and joy. More and more may we witness the moral and spiritual triumph of our country by the growing multitudes of good fathers, pure mothers, obedient children, just masters, and honest servants. We wait, we listen, O Lord God, to the Minstrel of Israel. Lord, Thou hast been our dwelling place in all generations; before the mountains were brought forth, or ever Thou hast formed the earth and the world, even from everlasting to everlasting, Thou art God. We pray in our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate has passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9863. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes.

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from North Dakota for 20 minutes.

Mr. LEMKE. Mr. Speaker, I prefer to address the House this afternoon not so much in my official capacity as a Member but rather as a citizen of the United States; more

concerned with the problems that confront this Nation of ours than with party politics or party politicians; more concerned with the welfare of all the people than with political patronage or the enrichment of a few. I prefer to speak on behalf of the 32,000,000 men, women, and children who live on the farms of this Nation and on behalf of the eleven or twelve million who are still unemployed and whose condition is becoming more wretched and pitiful every day. I am going to speak on behalf of all the people of this Nation rather than on behalf of a few international bankers and coupon clippers—the money changers who the President in his splendid inaugural address told us would be driven out of the temple, but who are still in full control of that temple and are still mixing the medicine and putting in more poison than ever before. I shall speak on behalf of the home owners who are about to lose their homes by foreclosure and eviction, whether they live on the farms or in the cities of this great Nation of ours.

I am talking to you not as a Republican, not as a Democrat, but as a Lincoln-Jeffersonian nonpartisan. I recognize no partisanship in laws. We liberals in this House have voted for measures regardless of who introduced them, and I am amazed that anyone in this age should make the enactment of laws a partisan issue. We have had enough of this kind of camouflage. After a Member is elected into this House he is no longer a partisan. He is a Representative and lawmaker—not for Republicans or Democrats, but for all the people in his district and for all the people in this Nation, be they Democrats, Republicans, Socialists, nonpartisans, or even Communists. He represents them all, regardless of religious or political creeds or beliefs. President Roosevelt, when Governor of New York, held these views. I have no reason to believe that he does not share them now; if he does not, he ought to.

I know we have been told that certain measures are not in good standing because the Democratic Agricultural Committee, a committee on which there are 18 Democrats, 7 Republicans, and 1 Progressive, saw fit to delegate a Progressive who voted for Franklin D. Roosevelt for President, and a liberal Republican to ask for a rule, and that is given as the reason to crucify 10,000,000 men, women, and children who live on the farms in this Nation and who are about to lose their homes. [Applause.]

Mr. Speaker, I want to say that such an atrocious doctrine cannot stand up in the House of Representatives. I supported the Democratic standard bearer in the last two Presidential elections and I campaigned in seven States for Franklin D. Roosevelt. I want to say I did that after having been asked to meet him, not upon my invitation, but upon the invitation of others, as Governor of New York. My conversation with him was such that I believed he was the better man of the two, and I still believe that so far as Mr. Hoover is concerned. [Applause.]

I also supported about 75 Members on the Democratic side for Congress last time, and only about 40 on my own side of the aisle. I intend to support the 140 Democrats who have their names on that book up there in the coming election as against 67 Progressives, nonpartisans, and Progressive Republicans on the other side. The time has come that we are citizens of this Nation and not Democrats and Republicans any longer. I know that there is no difference between the conservative Republicans on one side of the aisle and conservative Democrats on the other. They both stand for the same thing. They represent the dying shadows of a past civilization, and I say to you, my friends on both sides of the aisle, we are not going to submit any longer to that kind of control. The battle is on. Let us accept the challenge!

I repeat that there is no difference between the conservative Republicans on one side of the aisle and the conservative Democrats on the other side. They both still believe in standing still—in letting bad enough alone, thankful that it is not worse. They believe that some miracle will happen and get them out of this depression. On the other hand, I also know there is no difference between the Farmer-Laborites, the progressive Republicans, and the progressive Democrats. These are all still striving to get this Nation

out of this uncalled-for and unnecessary depression. They look forward and in the distance see the dawn of a new and better day. They would rather take 130,000,000 men, women, and children one step up along the highways and byways of civilization than a few greedy individuals a million miles. They believe in saving the homes of this Nation—in perpetuating the individual family life—they believe in the democracy of the fireside and in representative government. They believe that in this Congress the will of the Members should be freely and openly expressed and recorded, so that the public may know where the Representatives stand on public questions. They are opposed to secret and star-chamber proceedings. They love light and dislike darkness.

I regret to say that official Washington does not know what is going on in this Nation. It seems deaf and blind to the appeals of the men and women who have made this Nation what it is. The trouble is not with Members of Congress but with the bureaucrats in charge of this Government. These do not understand and cannot be made to understand the situation as it exists. The trouble is that Washington is too close to Wall Street—too intimately associated in the past with the special, privileged, selected few who have amassed the greater part of the wealth of this Nation in their hands. I know that if Congress were left free to act, that a majority could and would get together and put an end to hunger, want, and rags in the midst of plenty. Unfortunately, however, under the "gag and shackle rule" the majority are not permitted to and cannot function as they should. Unfortunately, because of the corroded patronage system, the majority are kept from doing that which they in their hearts know they ought to do.

In the light of recent events in this House it has become necessary for intelligent and patriotic people to unhesitatingly and unreservedly condemn the action of some of the leaders. These, drunk with power, deaf and blind to human suffering, with a cruel, brutal, and inhuman indifference to the cries for justice from several million men, women, and children who are about to be separated from their livelihood and who are about to be evicted from their homes—these leaders have moved heaven and earth to prevent us from getting the required number of signatures on petition number 7. This petition has for its object and purpose the bringing up on the floor the Frazier-Lemke refinance bill for discussion and disposition on its merits. I want to say that no later than yesterday the President informed me that no Member on this floor of the House had any right to use his name in trying to get names off of that petition or in preventing the bill from coming up for disposition on its merits on the floor.

It has been conceded that if this bill were permitted to come up on the floor, it would pass both the House and Senate, and we are confident that it would be signed by the President. No President would dare to veto a bill that would save the homes of 10,000,000 men, women, and children. No President could be so cruel and so indifferent, so unmindful of the welfare of this Nation. This bill would save at least 2,000,000 mortgaged farm homes from foreclosure and at the same time would pay the creditors up in full. It would loosen the frozen assets tied up in farm mortgages, and this Nation would again have sufficient credit and currency with which to do the Nation's business. It would give us an intelligent expansion of the currency, and no one would be injured. The Government would actually make a profit, and all the people of this Nation would again prosper. It would revive hope and aspiration.

The continued pressure brought by some of the leaders of this House resulting in the continued withdrawal of names from petition number seven has become a national disgrace. It has shocked, humiliated, and shamed the Nation. The Nation is on fire—it is thoroughly aroused. The people have awakened from their lethargy—from sleeping at the switch, and are demanding that the Government once more respond to their will. Therefore I shall discuss with you the Frazier-Lemke refinance bill—its trials and tribulations in this House. Upon the passage of this bill depend the home and security of over 2,000,000 farm families—of over 10,000,000 men, women, and children. We all know that the stability of

government depends upon homes. No government is safe when more than half of its people are made homeless.

The Frazier-Lemke refinance bill provides that the United States Government shall refinance existing farm indebtedness at 1½-percent interest and 1½-percent principal on the amortization plan, not by issuing bonds but by issuing Federal Reserve notes secured by the best security on earth, first mortgages on farm lands.

The Frazier-Lemke refinance bill is not inflation. You Members who have voted until your heads are dizzy to inflate this Nation with tax-exempt bonds ought not to use the silly and ignorant remark of inflation. That is the remark of the Wall Street gangsters and racketeers to defeat honest and intelligent expansion.

There is nothing in this bill that our Government has not and does not now do. Our Government now prints Federal Reserve notes and gives them to the Federal Reserve banks at seven-tenths of 1 cent per bill—the cost of printing. It makes no difference whether that bill is a \$1 bill or a thousand-dollar bill, or whether they keep it for 1 year or for 20 years—all they ever pay your Uncle Sam for it is seven-tenths of 1 cent per bill. The amount of all the paper money given by the Government, other than silver certificates, mostly to the large banks, as shown by the Treasury circulation statement of January 31, 1936, amounted to over \$4,781,000,000, of which amount over \$3,932,900,000 were Federal Reserve notes. What is back of this paper money? Is there gold back of it? There is not. Is there even a farm back of it? There is not. There is simply the indebtedness of the United States—a government bond—back of it.

If the Government can issue this money for a few international bankers, without anything back of it but debts, why can it not do it for 32,000,000 who are dependent upon farms? Why not do it for all of our people? Under the Frazier-Lemke refinance bill the farmers would have to pay just \$6,149,500,000, less interest, in 47 years, the time required for amortization of the farm indebtedness; and at the same time the Government would make a net profit of \$6,345,000,000, and to that extent lessen our Federal tax burden.

This bill has met with almost universal approval. Thirty-two State legislatures—and to my friends I want to say to you that at least half of these State legislatures were Democratic State legislatures, not Republican—and one Territory have asked Congress to pass it, and in addition the lower houses of New York, Delaware, and Pennsylvania have gone on record in favor of this bill. It has the militant support of the National Farmers' Union and of the National Union for Social Justice. It has the endorsement of many State and local Farm Bureau and Grange organizations. It has the support of labor leaders and officers of the Veterans of Foreign Wars. It has the approval of 95 percent of the farmers, as well as of every intelligent banker, business and professional man and woman in this Nation. No bill ever had the popular support that this bill has. Yet some invisible force has been able to prevent us from bringing it up on the floor for discussion and disposition on its merits.

This bill was introduced in Congress over 5 years ago. Numerous and extensive hearings were held on the Senate side, but in the House we were never able to get a hearing until last session. After this hearing the bill was favorably reported out by the House Agricultural Committee by a vote of 15 to 5. About the same time it was reported out favorably by the Senate Agricultural Committee without a dissenting vote. It has now been on the calendar of both the House and Senate for about 7 months. But under the ancient and corroded rules of procedure—rules well adapted for boss and Wall Street control—this bill cannot yet be brought up on the floor for a vote on its merits—not because it would not pass but, on the contrary, because they know it would pass.

Repeated requests were made orally to the chairman of the Rules Committee for a rule, and I find no fault with the chairman. I know, and I am willing to take the position, that the Rules Committee represents the administration, no matter what party is in power, and I do not care whether you put this baby on the steps of the White House or at the door of the Rules Committee, we are going to get a vote on

it. That is all there is to it, and that is all we are entitled to. [Applause.]

The Committee on Agriculture appointed a good liberal Republican, the gentleman from Iowa [Mr. GILCHRIST], and a good Progressive from Wisconsin [Mr. BOILEAU] to go and ask, in writing, for a rule. This rule was asked by the Committee on Agriculture with only one dissenting vote. They asked for it, but they did not get the rule. That is all I know about it.

Under these rules, during the last session of the Seventy-third Congress, we were required to have 145 signers on a petition to discharge the committee and create a special order of business. When we had 141 signatures, and needed only 4 more, some of the majority leaders injected themselves into the fight and, through pressure and persuasion, got some of the Members to withdraw their names. This was the first time that some of the leaders of a great party urged Members to withdraw their names from any petition. Twelve names went off that petition within a few days.

Later, on June 2, we succeeded in getting the 145 signatures. Under the rule, after a committee is discharged a bill must be on the calendar for 7 days, and can only be brought up on the second and fourth Monday of each month. Of course, the Speaker ruled that 7 days meant 7 legislative days. Then the majority leader recessed each day, in place of adjourning, and packed 5 legislative days into one, so that the bill could not be brought up on the second Monday in June, and before the fourth Monday arrived, Congress had adjourned. Thus we were tricked and cheated out of a vote. The farmers of this Nation were again betrayed.

On the first day of the first session of the Seventy-fourth Congress the number of signatures required to discharge a committee and bring a bill up on the floor for disposition on its merits was increased from 145 to 218. This "gag-and-shackle rule" was put over on the first day, before the new Members had time to learn what it was all about. One of the majority leaders assured us, and especially these new Members, that whenever there were 145 signers on any petition who honestly wanted a vote they would get it. Later he changed it to 145 Democratic Members.

How well that promise has been kept is shown by the fact that during that session of Congress, when we had 209 signatures, the same majority leaders again injected themselves into the fight and got a number of Members to withdraw their names. Their argument was that if this bill got to a vote, it would pass both the House and the Senate and the President would veto it. A committee of six was appointed to call upon the President, and we were informed that the President authorized no one to make such a statement, that he would not think of interfering, and that, in fact, he believed that a bill that had the support given this bill should be disposed of on the floor of the House. It is hard for us to know who is who here in Washington.

When the present session of Congress opened we had 204 signers on the petition. We needed only 14 more to complete it. Then, when we were within 5 signatures of the necessary 218, a few names were again withdrawn. Later, when we had 215, the House was hurriedly adjourned, and a few more names went off. At the time that we had 215 there were 148 Democrats on that petition and 67 Farmer-Laborites, Progressives, and Republicans. Who is the power behind the throne that is so determined to prevent this bill from coming up for a vote? I am willing to concede that the Rules Committee represents the administration and that the administration must accept the responsibility. Yet the President again reassures us that he has not sanctioned this procedure. His record, while Governor of New York, condemns the practice of strangling legislation in committees without reserve. All we have to say on the subject is that in that condemnation we heartily join him.

To those who have withdrawn their names, let me say, in the words of President Wilson, that "the large thing to do is the only thing 'you' can afford to do—a voluntary withdrawal from a position everywhere questioned and misunderstood." Replace your name. We had a right to believe that when you signed the petition you knew what you were

doing and that you were a free agent. When you withdrew it, you hurt our cause and subjected yourself to criticism. You were given credit among young constituents for signing and you cannot object if your constituents are informed that you have withdrawn your name. We find no fault with you, but suggest that in the future if anybody comes up and tells you that you should withdraw your name from the petition he insults you by asking you to do something that you ought not to do. You should tell him politely to go to that place where it never is cold.

There is nothing in any rule that prevents the public from being given this information. The rule, on the contrary, provides that when 218 have signed the petition it shall be made public. No former Speaker or future Speaker can make that a secret which is not a secret nor put a padlock upon our brain or seal our lips. Any such attempt in itself would be incompatible with representative government and in violation of the Constitution. Let us stop this silly talk about secrecy and star-chamber proceedings and sign the petition.

To my Democratic colleagues who have signed the petition, let me state that you have nothing to be ashamed of. The Frazier-Lemke refinancing bill and the cost-of-production bill is part of your platform. Unfortunately, the administration got tangled up with the Republican platform or crop curtailment and destruction, but the Supreme Court has held that part of the Republican platform unconstitutional. Why not let the administration carry out the Democratic platform on agriculture that we know is constitutional?

I have signed every petition at the Speaker's desk. I have signed them because I believe that every bill that has the backing of a considerable group of the people of this Nation has a right to come up on the floor and be disposed of on its merits. If this House had had the courage to do that, many of the measures on the Speaker's desk that now come to plague us when election is just around the corner would have been disposed of one way or the other and would have been settled issues. Now they have become an accumulated force which may turn into an avalanche and result in the political elimination of many of us here. Had we had the courage to meet these questions in the open we would not now be so apprehensive of what will happen next November. Woodrow Wilson told us that the best way to settle public questions was to throw open the blinds and let in the light of publicity and to annihilate anyone with the finger of publicity who dared to thwart the Nation's will. There is sound logic in that statement.

I want now to digress for a moment. Here are mortgage-foreclosure sales in the great State of Virginia. They are undoubtedly Democrats. This farmer's home is being sold for less than half of what it is worth, and he tells me in this letter that he has lived in this home all of his life, and I have at least five or six thousand such letters from every State in the Union. They all come to me for help. This man could not get any help from the Federal land banks, because the Federal land banks are run by the bankers of the Nation, and most of them are reactionary, "busted" Republican bankers. Get rid of them and put in some Democratic progressives and I will take my hat off to you.

You cannot afford to continue that practice any longer. I am talking as your friend. I am talking as one who again is going to help every Democratic Member who is liberal as well as every Republican who is liberal.

Oh, they tell me that it was because a Republican asked for this rule. You have other petitions up there that cannot see the light of day. There is the McGroarty petition up there. He is a good Democrat, is he not? Why, I will say he is the salt of the earth. I never saw a more genuine Jeffersonian Democrat than Mr. MCGROARTY. He is so much of a Democrat that he has fled out in California for President of the United States; and if you will nominate him and the Republicans nominate an equally good Republican I will go fishing on election day.

I am glad that the opposition to the Frazier-Lemke refinancing bill has now declared open war upon agriculture. It parrotlike uses the phrase "inflation", but that will not save them. The public knows that they have been guilty of in-

flating this Nation with 32,000,000,000 tax-exempt bonds. The public knows that that was unnecessary. They will have to use a more forceful argument backed up with more intelligence than that. In fact, a state of war existed between the opposition to this bill and agriculture during the last three sessions of Congress, including the present session. Hostilities were more or less violent at times. They consisted of secretly inducing Members to take their names off of petition No. 7.

However, on last Friday and Saturday the opposition came out in the open with a general barrage and when the smoke of battle was over they had wounded, killed, crippled, and blotted out five names from the petition. I repeat, this procedure of hide and seek of taking names from the petition when we put on others has become a national disgrace. It is an unworthy performance. This House owes it to itself to clear its good name from such frivolous and unseemly action. It can do it by bringing this bill up on the floor for discussion and disposition on its merits. We accept this war of aggression that has been forced upon us by the opposition and we inform that opposition that from now on they will know that we, 140 Democrats and 67 Progressives, Farmer-Laborites, and progressive and non-partisan Republicans are here. We will accept nothing less than an unconditional and constitutional surrender by the abolition of the "gag and shackle rule" so that every bill on the Speaker's desk that has the backing of a large number of people can come up on the floor for disposition on its merits. There must be a complete restoration of representative government and democracy in this House.

The battle is on. The battle lines are flung from the Atlantic on the east to the Pacific on the west, from the Gulf of Mexico on the south to the Canadian boundary on the north. The battle will continue unless the opposition capitulates from its unwarranted position until next November, when the grandest host of patriotic men and women ever assembled in this Nation will march to the polls and cast an avalanche of ballots that will leave no doubt in anyone's mind that the American people still hold near and dear to their hearts democracy and representative government.

I am an optimist, though I know that truth is still on the scaffold and wrong is still on the throne. But I know that behind that scaffold and behind that throne an enlightened public opinion is still shaping the destinies of this Nation. I know that in the end decency and righteousness will prevail. America will yet be economically free. In this eternal struggle for social justice, only the coward and slave surrender; only the dullard accepts the yoke. I am sure that the American people know that a democratic form of government, although defective, is the best form of government that can possibly be devised for their own best interests. I am confident that they know that without representation there is no democracy, and that without democracy representative government is dead.

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from New York [Mr. O'CONNOR] for 30 minutes.

Mr. ZIONCHECK. Mr. Speaker, I rise to the privilege of the House.

The SPEAKER. The gentleman will state his question of privilege.

Mr. ZIONCHECK. The question of privilege is that I rise to a question of the privileges of the House.

The SPEAKER. The Chair will state to the gentleman if it is a question of the privilege of the House it must come before the House by resolution.

Mr. ZIONCHECK. It is coming that way then. It did not come that way yesterday.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the gentleman from New York, Mr. TABER, violated and transgressed the privileges of the House Monday, February 17, 1936.

By Mr. ZIONCHECK, First Washington District.

Mr. ZIONCHECK. That is the best I could do in a hurry.

Mr. LEHLBACH. Mr. Speaker, I make the point of order that the resolution does not raise a question of the privilege of the House.

The SPEAKER. The Chair thinks the point of order is well taken. The resolution does not set out a question of privilege.

Mr. ZIONCHECK. Then I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from New York [Mr. O'CONNOR] for 30 minutes. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. BOLAND] to prefer a unanimous-consent request.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that I may address the House for 10 minutes immediately following the gentleman from New York [Mr. O'CONNOR].

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent for the privilege of addressing the House for 10 minutes immediately following the gentleman from Pennsylvania [Mr. BOLAND].

The SPEAKER. The Chair will state to the House that there are two more special orders before the last consent was obtained. The Chair does not want the gentleman from Texas to be surprised by this request. If he has no objection, certainly the Chair has none.

Is there objection to the request of the gentleman from Ohio [Mr. SWEENEY]?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, after listening to the address of the distinguished gentleman from North Dakota [Mr. LEMKE] today, I am going to try, as far as possible, to apply light to this controversy rather than heat.

I do not rise on this floor in defense of myself. I have never had to do that up to this good hour, and I do not anticipate I shall have to do it in the future.

Nor, Mr. Speaker, do I rise in defense of the President of the United States. That would be presumptuous on my part. Mr. Roosevelt is well able to take care of himself. I have always been careful not to bandy the word of the President around this Chamber, as to whether he was for or against certain legislation. I still maintain this attitude, in spite of the fact that the President was quoted on the floor today by the gentleman from North Dakota, a co-author of the Frazier-Lemke bill. What information I have about the attitude of the President is my knowledge and is not to be mouthed in this Chamber. Suffice to say that what I have done here is, in my opinion, in support of his policies.

Rather do I, Mr. Speaker, rise in defense—call it presumptuous or not—of the membership of this House, a large number of which have been maligned and scandalized recently by certain radio addresses which were repeated in part in the press.

I have personally known for some weeks that this attack on me was brewing. I have heard of it in my district, where a great deal of money has been spent and at least 100,000 circulars have been issued by a certain "league." That information came to me long before the radio attack started. The plan was to get Roosevelt "through O'CONNOR."

I realize the disadvantage in which I am placed in standing here face to face before a body of distinguished men and women, as compared to going into the quietude of a little room in a peaceful tower and talking into the microphone.

I have neither the opportunity nor the money, amounting to many thousands of dollars, that a radio broadcast costs on each occasion. I am informed that the Reverend Father Coughlin pays, or his contributors pay, at least \$5,000 for each of his broadcasts, and this price is one-half or one-third

the cost of an evening broadcast, 4 p. m. on a Sunday afternoon being the cheapest hour.

I shall attempt, in speaking to you today, not to snarl at people or abuse them. I shall try not to so infect my voice that it may carry insinuating meanings or inferences. What I have to say will be spoken in plain English and with no meaning that the written word does not carry.

It is also difficult to answer the radio addresses of the Reverend Chas. E. Coughlin, of Royal Oak, Mich., for the following reasons: For instance, I did not hear his address 2 weeks ago last Sunday. I never did listen to the reverend gentleman until a week ago Sunday, but I had heard that he had made a radio address on the previous Sunday, February 2d, in which he referred libelously to me and other Members of the House, including our beloved Speaker, and also to the President of the United States. I then sought to obtain a copy of that speech. I first got an advance copy of the speech, in which my name was not even mentioned at all.

I thereafter received a stenographic report of that part of the speech in which my name was mentioned so libelously. Later I obtained the printed pamphlet with the "imprimatur" of Bishop Gallagher, of Detroit, giving the speech as finally revised. Strange as it may seem, all three speeches were different. There was nothing slanderous or libelous about me in the advance copy or in the final copy. What was said about me over the radio must have been the extemporaneous utterings of Father Coughlin. That situation, Mr. Speaker, raises a serious question about which several people have recently conferred with us, as to what protection the public has as to the spoken word over the radio. There is no law, as I understand it, and there is no regulation of the Federal Communications Commission requiring an official transcript of what is said on the radio so that any person interested may know the truth. In anticipation of further attacks on me, I intend to notify the radio stations over which Father Coughlin broadcasts that I demand that a stenographic report of his speech be made available to me, and that I shall hold them responsible for any slander of me. I understand that the complaints against Father Coughlin's attacks were so numerous some time ago that he was refused further time on a well-known chain, or Nation-wide hook-up.

One can conceive of any number of situations—for instance, an international dispute or a slanderous attack in a campaign—where it might be very important for the protection of our Government, our own citizens no less, that it be known definitely what was said over the radio.

The speeches of the reverend father are now delivered on the Sabbath Day at from 4 to 4:45 p. m., Eastern standard time. They are broadcasted at a time in the afternoon when most people are at home with very little to do and when there is no broadcast of any importance.

Mr. Speaker, I have been acquainted with a great number of Catholic clergymen. I, of course, know, too, a great number of Catholic laymen, many of them leaders in America. You all know that I am a Catholic. All my people have always been Catholics, devout Catholics, patriotic citizens in this country since my great-grandfather landed at St. Johns, New Brunswick, in 1810, with my grandfather, 7 years old, by the hand and walked 400 miles to Boston. We Catholics have the utmost respect for our church. We have the greatest respect for our priests as represented by the garb they wear.

Our Catholic people have always been taught to respect our clergy, "Vicars of Christ." Father Coughlin, however, at least has raised in the minds of the Catholics of America, the Catholic clergy, and the Catholic laymen, the question whether or not he is improperly stepping out of his role as a clergyman when he engages in these discussions of political questions and engages in these vituperative attacks upon men in public life.

I do not wish to offend the reverend gentleman, Father Coughlin. Being, of course, of Celtic extraction, after listening for 45 minutes to a tirade against me, and I think it was directed principally against me, I was really hot—"mad" is the only word that adequately expresses it; and I thereupon

Reply to attack by Father Coughlin
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paid my respects to the reverend gentleman. [Laughter.] I have no pride in having done that; I regret it. Not solely because I have been severely criticized by some of my most intimate friends but principally because I know I should not have done it—not in respect to the dignity of the office I hold, but because of the dignity of Father Coughlin's calling. Particularly I was not justified in referring to his "clerical garb." For that I apologize to him and the good people who may have been offended. I also said something about kicking. [Laughter.] Of course, that was a red-headed Irishman's figure of speech. What one impetuously feels like doing and what one should in dignity do or say is quite another thing.

The greatest offense, of course, that could be committed in my church, and probably in every other church, is to show disrespect for a man of the cloth. We have been taught to respect all clergymen. It was an undignified remark, unworthy of me, let alone suitable to the clergyman to whom it was applied. At this very time President Roosevelt is honoring a distinguished priest of the Catholic Church. He has directed that a battleship transport the remains to his native Belgium of that great martyr, Father Damien, who gave his life in the leper colony.

However, Mr. Speaker, I am not a clergyman. I am not supposed to have control over my emotions. I am not supposed to be able to "turn the other cheek." On taking Holy Orders, as the distinguished clergyman did, he took the vows that he would forgive people, no matter what sin they may have committed, and that he would "turn the other cheek." Perhaps I need the "benefit of clergy." [Laughter.] Like all Catholics, I have been taught to say, "Father, forgive me for I have sinned"; but the distinguished clergyman was taught more than that. His duty is to pray to the Almighty: "Father, forgive them, for they know not what they do"; and that may well apply to me. [Laughter.]

In my telegram I made reference to Father Coughlin's citizenship, a subject which has been much discussed. I was in error about that. Father Coughlin is a citizen, it is true. While he was not born in this country and spent quite a time in a foreign country under the dominion of the late King George, in whom my distinguished friend from Ohio [Mr. SWEENEY] was so much interested [laughter], and entered the United States in 1923 as an alien, he was born of American parents.

Mr. Speaker, we Catholics believe this, and I have never met a Catholic priest or an intelligent Catholic layman who did not believe it, that when the priest enters the realm of politics, when he engages in public discussion of things which are not religious, he steps out of his character as a priest [applause], and many people believe that he should no longer, under those circumstances, for that time at least, wear the clerical garb or the Roman collar, which we all duly respect in its proper place. You will recall those days of prohibition; you will recall those days of the Presidential campaign in 1928, when certain clergymen high in the church, distinguished clergymen, Bishop Cannon and others, were campaigning on public questions—yes, even campaigning against candidates for office—and the cry then almost universally, and especially from the Catholic Church, was "Back to the pulpit!"

Now, I personally have never heard in all my life a Catholic priest talk politics. I never imagined it could happen. And, of course, it cannot be camouflaged by the mere fact that he calls on the Savior in every other breath to witness his interest in the cause of the people or to "drive the money changers from the temple", a favorite expression of Father Coughlin. That repetitious calling upon the Deity does not detract one iota from the fact that the man has left his calling as a priest to participate in the "things of Caesar."

The reverend clergyman said in effect on last Sunday that he was going to "lash" me and others—mostly Catholics—from Congress, and also the President from the White House. Well, of course, no one can "lash" me from Congress. The only people who can prevent me from return-

ing to Congress, should I so desire, are the decent, God-fearing people in my district on the East Side of New York, many of them Catholics, and many of them of all faiths holding the highest respect for Father Coughlin. It is they and they only who can say whether or not I shall continue in Congress on my record as a public servant or because I dare do what I believe millions of Catholics have wanted to do for years—to raise this issue before the American people. [Applause.]

It is not pleasant to be the one to raise the issue or to engage in this controversy with a clergyman of my own faith; but the lot having fallen to me, I deem it my duty to face it.

The reverend gentleman called me "a tool of Wall Street." I would be much better off financially if I was better acquainted with Wall Street. It is a narrow, crooked street down in the boot of Manhattan, in the shadow of which I practiced law for over 20 years, until, a few years ago, my last client died or was sent to jail. Wall Street has never done anything for me, and I have never done anything for Wall Street except to vote against every bill in which it was interested and to vote for every bill which tried to hold the malefactors in check and protect the American people against them. [Applause.] Incidentally, I made the closing speech in favor of the securities exchange bill and against Wall Street, which came as quite a surprise to some people and was commented on throughout the country that I, a Representative from New York City, should make this attack upon the stock exchange. So no one can pin "Wall Street" upon me!

The reverend father is better acquainted with Wall Street than I am. His association with Mr. Harriss and others in the silver movement made him well acquainted with that particular crooked street. While I was here voting for the farmer, and while the reverend father on the radio was advocating the remonetization of silver, he was profiting in Wall Street through silver speculation, while our dollar was depreciating—one of the most unfortunate experiments of our Government.

I have not the facilities or the money to answer Father Coughlin on the radio, even on next Sunday, when I anticipate he will again attack me. I understand the expenses of his great organization at Royal Oak are about \$100,000 a month. He has scores of employees, I am informed. Some call it a "counting house" because a great deal of the duty consists of opening the contributions which come in, most of which are from the poor people of America, from the working girls, and the laborers. After the \$100,000-a-month expenses are deducted there is a net profit of \$200,000 or so a year, which has gone to build the beautiful edifice which he has erected there, called "The Shrine", a colossal monument to his business acumen.

As I understand it, Father Coughlin is in an exceptional position as a priest. He is not a curate. He is more or less "on his own", but being in that locality, of course, he is subject to the bishop there, who is his only superior in this country. No cardinal or archbishop of the church has jurisdiction of him or his conduct. At the opening of the speech on Sunday he advocated that his listeners subscribe to his newspaper which he is now getting out at the suggested subscription price of \$2 per year. That should, of course, afford him an enormous additional revenue.

Mr. Speaker, I am not the only man in public life the reverend father has attacked, although I am of the least consequence of any he has attacked. He has maligned slanderously, viciously, and without justification Gov. Alfred E. Smith. He has vehemently attacked Gen. Hugh S. Johnson. He has attacked Mr. William Green, president of the American Federation of Labor; and he has attacked most viciously our great President, Franklin D. Roosevelt, shortly after partaking of his hospitality at the White House. A peculiar coincidence has been called to my attention for some time, and that is that his chief attack has been on Catholics. In his speech of 2 weeks ago he rolled on his tongue the names of Catholic Members of Congress who were his victims. The

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idea is, of course, to show his lack of prejudice, so he will not raise any other issue, but play safe by attacking "his own."

The reverend gentleman has placed me in good company. In addition to the foregoing gentlemen, he has included me in attacks on our beloved Speaker, the Honorable JOSEPH W. BYRNS, of Tennessee, and our efficient whip, the gentleman from Pennsylvania, Mr. PATRICK J. BOLAND.

Now, Mr. Speaker, let us see about this Frazier-Lemke bill, about which Father Coughlin has talked so much and so fervently—and I pronounce the name "Cough-lin", because that is the only way I ever knew how to pronounce it, and I grew up with hundreds of them. The derivation of the word from its first syllable is obvious.

The Frazier-Lemke bill was introduced in Congress by Senator FRAZIER, of North Dakota, and Representative LEMKE, of the same State, both Republicans. It provides for three things, as I am told. First, that the Government take over the mortgages on the farms, eight or nine billion dollars being involved, at an interest rate of 1½ percent. The Home Owners' Loan mortgages in cities are paying 5 percent. Beyond that, the bill provides that the Government shall lend 100 percent of the value of the property. Under other Government financing not more than 80 percent is loaned.

Those two provisions are not so bad in and of themselves. I have voted for practically every piece of farm legislation to date, including the Frazier-Lemke farm mortgage moratorium bill. I just heard the distinguished gentleman from North Dakota [Mr. LEMKE] make the statement that to say the bill was inflationary is "ridiculous." If that were correct, then we have all been grossly deceived, because it is the inflation feature alone that has caused so many Members to sign their names to that petition. Incidentally, about 50 Members who signed the petition never intend to vote for the bill. Father Coughlin on Sunday carefully avoided, I believe, saying anything about the bill, except that it provided an interest rate of 1½ percent. He did not mention the inflation feature of the bill. Mind you, this bill only pertains to mortgages on farms, while in the cities and urban centers we have \$21,000,000,000 of mortgages, with only two and a half billion dollars' worth taken over by the Home Owners' Loan Corporation, and then at an interest rate of 5 percent.

Let us now see how this Frazier-Lemke bill has come before us. It was reported out of the Agricultural Committee of the House. Father Coughlin says the vote was 18 to 5. Until this morning on the floor I do not recall any member of that committee making any such claim whatsoever. As a matter of fact, we have never been able to find out, on diligent inquiry, what the vote was, and have received every possible variation as to the vote. No roll call was even taken.

Then the Agricultural Committee, composed of 18 Democrats and 7 Republicans, appointed a subcommittee to wait upon the Rules Committee. The gentleman from Iowa [Mr. GILCHRIST], a Republican, and the gentleman from Wisconsin [Mr. BOILEAU], a Progressive, and no other constituted this subcommittee. These distinguished gentlemen did wait upon me, and they wrote me asking for a hearing on the application for a rule to consider the bill. When they waited on me I said, "Where are the Democrats?" There were none. I have never known of the Rules Committee being requested for a rule by a subcommittee composed of the minority members of the committee, irrespective of which party was in control of the House. I never knew of the Rules Committee having been requested for a rule except by the chairman of the legislative committee or some high ranking member designated by him. That is the most peculiar situation up to that point.

A petition was then filed to discharge the Rules Committee, and in this connection the rules of this House, whatever one may think of them, have been as grossly violated as in the days of that great Speaker, Mr. Nicholas Longworth, when many Members suggested that drastic action be taken to prevent the violation of the rules in giving out the names of the signers of the petition until the total of necessary signatures was affixed. No one can obtain the names except by stealth and connivance. Likewise, as to what names are withdrawn from the petition. The reasons are obvious.

When the Reverend Father Coughlin gives out statements as to who did or who did not sign that petition or as to whose name came off that petition, he knows that not only is he particeps to a violation of the rules of the House but that some Member or Members are improperly furnishing him with that information.

Now, what is the reverend father's interest in this Frazier-Lemke bill? In my opinion it is the inflation feature. He does not come from a farming community. This is consistent with his attitude on the "bonus" and his attitude on silver legislation. When the petition to consider the Frazier-Lemke bill needed only four more names, he jumped into the picture to push it over the top. That would have added to his laurels. As to the "bonus", when the Patman bill was pending here last year, he was very much interested in that particular bill, because it carried inflation; but this year, when we had up the bonus bill which we passed, we did not hear of Father Coughlin's interest. It had no inflation in it.

I know that the veterans are not deceived into thinking that Father Coughlin has been their champion, because I am informed that one of the leaders of the veterans' organizations went to him when the Economy Bill was pending and asked for his support, whereupon the reverend gentleman stated, "You veterans are getting too much already." So I say the inflation feature of the bonus was the only thing which attracted Father Coughlin to it a year ago.

Now, Father Coughlin has been making these speeches on the Frazier-Lemke bill, and he has been blaming the President for stopping the progress of the bill; and in refutation of all that, I have only to call on you to recall the speech of Mr. LEMKE here on this floor this morning, in which he said the President only yesterday stated to him that he had nothing to do with stopping signers to the petition or taking names off, and that no one was authorized to do it for him. This should forever dissipate the false impression which has gone out to the good people of the country that the President had a hand in what Father Coughlin thinks was an arch conspiracy.

This bill would be of no benefit to my city or the father's city. Quite the opposite. This, however, would not deter me from voting for it if the inflation feature were not in it.

Mr. William Green, president of the American Federation of Labor, has denounced it, saying that it would increase the cost of living for every workingman in America, and thereby reduce the wages which are coming to them. All you have to do to prove this is to determine mathematically what would be the effect of \$3,000,000,000 or \$9,000,000,000 more in currency.

The people in my district are working people. Many of them are deceived about this Frazier-Lemke bill by reason of Father Coughlin's address. It could be of no benefit to them, but would do them the greatest amount of harm, and I believe it would not help the farmers of America with the inflation feature in it.

Father Coughlin said on last Sunday that Wall Street and the insurance companies were fighting this bill. Why, nothing could be more ridiculous on its face! The insurance companies want this bill. They hold all the mortgages, practically, on these farms, and they would be bailed out at the expense of the Government.

Now, with respect to this information about names on and names off the petition, the reverend father has had for some time two paid lobbyists here, a man named Ward and a man named Collins. This is probably how the reverend father received the information to which he referred to on Sunday, but some Member or Members must have first obtained it surreptitiously.

Two weeks ago Father Coughlin promised that on the next Sunday he would give out the names of every man on this petition. Now, why did he not? Because he was afraid it would not be accurate, and in many of his statements of names on and off the petition, he was inaccurate.

The reverend father referred to the President's campaign speech at Omaha, Nebr., and goes so far as to say that the President promised that he would be for the Frazier-Lemke

bill. Well, no fair-minded man would ever draw such a conclusion from the President's speech on that occasion.

Father Coughlin said I was the "assassin" of the Frazier-Lemke bill. I, the assassin! This is what happened. Some of the men chiefly interested in this bill sent word to Father Coughlin 2 weeks ago Sunday when he made his first vicious speech attacking Members of Congress, that he had killed the bill. It was not I, nor the Speaker, nor the President they blamed. It was Father Coughlin. If there is any charge of killing that bill, the promoters of the bill now lay it on the doorstep of Father Coughlin.

He made another misstatement among the many, that at 11 o'clock last Friday night the President called in his "henchmen" and told them to stop the bill. Well, is there anybody in this House who believes that?

The reverend father also said the President changed the discharge rule from 145 to 218. [Laughter.] Why, the President had as much to do with that as the janitor.

Then Father Coughlin made certain references to the Rules Committee, and constantly stated that the President personally selected me and personally appointed me chairman of that committee. [Laughter.] Why, I was a member of the Rules Committee before I ever met Mr. Roosevelt.

He also said the President personally selected every other member of the Rules Committee; and, of course, you know and the country should know that that is so far from the truth, it has not a grain of verity in it. We members of that committee advanced by seniority, and I succeeded to the chairmanship when our distinguished majority leader, Mr. BANKHEAD, of Alabama, left the chairmanship to take his present position.

For no reason I can imagine, and with no connection with any subject, Father Coughlin injected my brother's name into his speech last Sunday. I do not know, but there are a lot of other members of the family, and I suppose he will take care of them next Sunday. [Laughter.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the time of the gentleman from New York may be extended 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. O'CONNOR. The reverend father said that the Rules Committee was a "political committee", as though he had made a great discovery. [Laughter.] Of course, it is a political committee. It is an arm of the organization of the House. It is an arm of the administration. It serves every standing committee of the House. It takes the measures as they come from other committees and determines their order in the House.

Father Coughlin said that in the Rules Committee it was by virtue of my patronage power that I held the "lash" over the members of the committee; that I had the patronage by reason of my chairmanship of the Rules Committee, and therefore I could influence members. Well, if there has been patronage of that kind, I call on my friend the gentleman from Alabama [Mr. BANKHEAD] and the minority leader [Mr. SNELL] to 'fess up, because they are holding out something on me, as I have not seen any yet. [Laughter.]

Now, if that was all that Father Coughlin had said on last Sunday, I might have taken it with a cool head and laughed off his many misstatements. I probably should have, anyway. That is why I regret that I said some things about the reverend gentleman for which, as far as he is concerned, or anybody that might take offense at it, I am humbly sorry. "The Irish of it", as the Washington Post says today editorially. But he then made a personal attack on me, referring to a certain bill I had introduced in the House, and which was recently vetoed by the President, and he referred to it in strong, ugly words, implying fraud.

I am confident that the reverend father will never print those words that he used in that address. He says over the radio what he likes, but what he prints is entirely different. For instance, I heard him say that I should be "impeached." The advance copy of the speech says that I should "resign."

Now that was a bill, the features of which I shall not take the time to go into now, which was overwhelmingly passed by the House after having passed the Senate three times, at least. It had been reported out of the Claims Committees of both Houses before I even knew of its existence, and every Member who considered it thought it was a meritorious bill, and still think so, as I do. It was also approved by the State Department and the Federal Reserve Board.

But I do not complain that the President vetoed it. I think probably he should have; probably he did the wise thing to veto it, for a reason which was not disclosed in his veto message. I understand that it was thought that the bill raised the question whether or not it might open the door for suits under the "gold clause." Perhaps it was not wise to disclose that reason, but if that was the reason, it justified the veto.

I never met a Member of the House who did not maintain that it was a good bill, or the distinguished Senator from Massachusetts, who carried the bill to passage three times in the Senate.

Now, Mr. Speaker, I ask unanimous consent to insert at the end of my remarks a statement in regard to that bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. O'CONNOR. The bill, however, is dead. Now a vicious attack was made on our beloved Speaker in reference to it. Father Coughlin charged that the Speaker was in connivance and conspiracy in reference to the bill by attempting to refer it back to the Claims Committee with the veto message—the usual and invariable custom in these cases of vetoes. If that procedure had prevailed, the bill would be just as dead as it is now, because no one has ever known of a bill to come out of a committee after it had been vetoed.

Let us consider some further misstatements by the reverend father—and they cannot be accidental. He could have ascertained the truth. Father Coughlin said that Mr. Postnikoff, who was the head of the company mentioned in the bill, was a foreigner. The fact is he was born in California and is a 100-percent American. He said the company was a foreign corporation, when it is a New York corporation. He then asked the President over the radio if a Member of Congress had not written to the President, saying to him, "Mr. President, if you sign that bill, it will be the end of you and O'CONNOR." Almost all the membership is present. Will the Member who wrote that letter please stand up? [Laughter.] Of course, no Member stands, as no Member ever wrote such a letter.

Then the reverend father took his final thrust at me. After having called me "a tool of Wall Street" and an "assassin"—I could have stood for that even though it was on Sunday. [Laughter.]

But this is what he said, and I read it to you. This is what he charged. He charged me with being a burglar. [Laughter.] An actual burglar. There may be many crimes I have committed, but I have yet to go through a transom. [Laughter.] This is what the reverend father said over the radio; I trust he will put it in his printed address. He said, "More than that, and this is almost unexplainable, Mr. O'CONNOR glibly referred on the floor of the House to files in the State Department to support his argument, but when the investigators attempted to verify his statements as taken from the files of the Department, they found that the files had been stripped of every evidence bearing on the case."

Well, that is burglary, and nothing else. His inflection was what counted. Mind you, the State Department itself had always approved this bill. Of course, I wanted to find out from the State Department just when and how I did "burglarize" that institution, so I wrote the Secretary of State yesterday morning, and this is his reply to me:

DEPARTMENT OF STATE,
Washington, February 17, 1936.

MY DEAR MR. O'CONNOR: Reference is made to your letter of February 17, 1936, regarding a bill for the relief of the International Manufacturers' Sales Co. of America, Inc., which was recently vetoed by the President.

In response to your inquiry concerning the status of the files of this Department in connection with this matter, you are informed that an examination of the records of this Department shows the papers in this case are in order and in the files.

CORDELL HULL.

[Applause.]

Now, just how much of that kind of calumny must one stand? Just because you are a Member of Congress, just because you belong to the same church as the defamer, do you have to take that? You know the old expression, "Falsus in uno, falsus in omnibus." A judge always charges a jury that if a witness testifies falsely as to any material fact, the jury may disregard his entire testimony.

Now, Mr. Speaker, I have been in Congress for seven terms. About all I have left is my reputation. I do not receive any contributions from people throughout the country to maintain me. During the past few years I have not been able to practice law because of my constant duties here. I have a pride in my position, not only as chairman of the Rules Committee, but as a Member of this House. I have tried, not always successfully, I know, to maintain the honor and dignity of this position which I occupy, and which probably my ancestors never thought one of theirs would ever occupy.

There is no one who appreciates more than I what it is to be selected from among 127,000,000 people in the United States to be 1 of 435 Congressmen representing the people of this country. Shakespeare said in Othello:

Who steals my purse steals trash; * * *
But he that filches from me my good name
Robs me of that which not enriches him
And makes me poor indeed.

My purse has been stolen, but no one is going to rob me of my name without my giving a battle. [Applause.]

Mr. Speaker, I have four boys whom I love more than anything in this world. They are altar boys, serving Mass on the altar on Sunday. [Applause.] I propose to preserve my reputation to hand down to them, and I must meet any challenge as to my reputation, even though that challenge be hurled at me by a man of God. [Applause.]

Statement accompanying Mr. O'Connor's remarks above:

H. R. 4178, a bill for the relief of the International Manufacturers Sales Co. of America, Inc., A. S. Postnikoff, trustee, in the amount of \$900,000, was approved by the House and Senate after having been considered by conferees on January 28-29, 1936.

A bill for the relief of the sales company was first introduced in the Senate by former Senator Pomerene more than 10 years ago. Similar bills have been introduced in practically each succeeding Congress in both the House and Senate by both Republicans and Democrats since that time. Every committee which has considered this claim during these intervening years has made a favorable report with respect to it.

The sales company is a New York corporation. Prior to its unfortunate experience in this transaction it had handled a large export and import business. It had never done any business in Siberia.

During 1918 the Sales Co. shipped 107,000 pairs of shoes from Boston for destinations in European Russia. The shoes were forwarded through Vancouver and Seattle and thence to Vladivostok, because, due to the war, trans-Atlantic cargo could not be had at that time. By the time the shoes reached Vladivostok, Siberia, the Bolsheviks had overturned the Kerensky government. For that reason the shoes were put in storage at Vladivostok and held there. Postnikoff, the president, who had been in European Russia, reached Vladivostok in the fall of 1918 with the intention of reshipping the shoes to America, or, if possible, to sell them in Japan. Siberia was at the time known as White Russia and was friendly to the Allies. The war had played havoc with the people of Siberia. In the fall of 1918, President Wilson adopted a plan of economic aid to the Siberian population. Five million dollars was appropriated out of his revolving fund to aid the people of Siberia. August Heid, who was attached to the American Embassy at Tokio, was sent to Vladivostok on instructions from the Secretary of State, to act as agent for the War Trade Board to give effect to President Wilson's plan of economic aid.

When Heid reached Vladivostok he learned that there were 107,000 pairs of shoes in storage in Vladivostok. He immediately got in touch with Postnikoff, who had meanwhile reached Vladivostok, and after a great deal of consideration, Postnikoff was prevailed on by Heid to permit Heid to take the shoes as agent for the War Trade Board and sell them to the people of Siberia. The shoes were thereupon turned over to Heid and his assistants. The transaction from there on was conducted by Heid. The shoes were delivered to Heid and were disposed of by him during December 1918, and January 1919. They were sold on a 90-day cash basis. Heid and his agents collected about six and one-half million rubles during March, April, and May 1919. Heid deposited these rubles in banks at Vladivostok and elsewhere in Siberia, to the credit of the Sales Co.

Unknown to Heid the Federal Reserve Board had issued a regulation February 14, 1919, which absolutely destroyed the value of the ruble in the money markets of the world. That regulation prohibited "the exportation or importation of Russian rubles or the transfer of funds for their purchase by persons and dealers in the United States" under authority of the Executive order of President Wilson of January 26, 1918. The real purpose of this regulation is not known. The record indicates that it was designed to keep Bolshevik money out of the United States. The regulation was issued without warning and without notice to either Heid or the Sales Co. At the time it was issued the exchange value of the rubles was \$968.748.

When the regulation was issued the shoes were out of the possession of the Sales Co. and had meanwhile actually been disposed of by Heid, who was agent for the War Trade Board, an agency of the United States Government. The net result of the willingness of the Sales Co. to be of some assistance to the United States Government in its plan of economic aid to the Siberian population was that one agent of this Government took the shoes, sold them to the Siberian population, while another agent of the Government issued a regulation that made it impossible to convert the money collected for the shoes into American dollars.

Mr. Francis M. Anderson, Solicitor of the State Department, testifying before the Committee on Claims of the House in respect to this claim, stated that the loss sustained by the Sales Co. was due to the order issued by the Federal Reserve Board, and that "the situation, however, actually is that there was a loss caused to the company by an act of state, which would be proper itself, in an endeavor to give this relief to the company, which carried out the order under the encouragement of appropriate officials of the Government in the furthering of a plan which had been established by the War Trade Board."

The report of Senator LOGAN, of the Committee on Claims of the Senate, February 28, 1934, in connection with this bill states:

"The record discloses fully the orders for the relief of the people of White Russia. The shoes were actually distributed by the agents of the Government of the United States. The effect of the whole transaction was that the United States invited claimant to sell shoes to the people of Russia under the plans set up by the Government itself. The invitation was accepted. Then the Government of the United States, without giving claimant any opportunity to save itself, brought upon claimant the loss. The merit of the claim cannot be disputed. Equity and justice demand that the claimant be paid the amount of the loss sustained. The only serious question is what that amount is."

The record before the committees of both Houses which have considered this claim show that this is not a case of reimbursing the Sales Co. because rubles depreciated as the result of the Bolshevik uprising but because their value was actually destroyed by the regulation of the Federal Reserve Board. The rubles were in the Siberian banks, not as a regular commercial deposit, but as a step necessary for the agent of the War Trade Board to have taken to complete the transaction between the Sales Co. and that agent. The reports also show that the Sales Co. is the only American concern that actually furnished any goods to the Siberian population under President Wilson's plan of economic aid. This was due to the fact that its shoes were in storage at Vladivostok at the time by accident.

Three successive Secretaries of State have recognized the equity of this claim. The veto message of the President intimates that one of his reasons for vetoing the bill was that he thought the direct cause of the loss was the subsequent action of the Soviet Government in taking over the assets of the banks in Siberia. It is true that in 1921 or 1922 the Soviet Government assumed control of Siberia as well as European Russia, and took over all assets, but the facts before the committees show that long before this happened the regulation of the Federal Reserve Board had absolutely destroyed the ruble as a medium of exchange, and that this action prevented the Sales Co. from transferring the money deposited by the agent of the War Trade Board in the Siberian banks into American dollars. The American dollar was the only medium of exchange in Siberia at the time. Therefore it is not accurate to say that the direct cause of this loss was due to the subsequent action taken by the Soviet Government.

The President's veto message also states that the Sales Co. was engaged in business in Siberia and had by its own voluntary act shipped a large stock of shoes from the United States to Vladivostok, and his message implies that the agents of the War Trade Board merely assisted the Sales Co. in disposing of the shoes in Siberia. The President's message ignores entirely the important fact that Postnikoff came to Siberia not with the intention of selling the shoes there but to return them to the United States, and also ignores the fact that the Sales Co. had not done business in Siberia and that the shoes were in Vladivostok in the fall of 1918 by accident.

Both Houses of Congress approved the claim and recognized its equity. In *United States v. Realty Co.* (163 U. S. 427), the Supreme Court said that the term "debts" as used in the Constitution "includes those debts or claims which rest upon a merely equitable or honorary obligation and which would not be recoverable in a court of law if existing against an individual" and that the Nation "owes a 'debt' to an individual when his claim grows out of general principles of right and justice—when, in other words, it is based upon considerations of a moral or merely honorary nature, such as are binding on the conscience or the honor of an

individual, although the debt could obtain no recognition in a court of law."

The debt recognized by Congress in this instance is precisely of that nature. An agent of the War Trade Board induced a citizen of the United States and an officer of the Sales Co. to deliver shoes which were greatly needed by the population of Siberia to give practical effect to President Wilson's plan of economic aid to a friendly ally. Another agency of the United States Government made it impossible for the Sales Co. to obtain the money which was received by the agent of the War Trade Board from the sale of the shoes. Justice and equity certainly justify the recognition by this Government of such a claim.

The SPEAKER. Under the special order, the Chair recognizes the gentleman from Pennsylvania [Mr. BOLAND] for 10 minutes.

Mr. BOLAND. Mr. Speaker, ladies and gentlemen of the House, I listened very, very attentively to the remarks of my colleague from New York [Mr. O'CONNOR], who has been frequently castigated during the past 4 weeks and particularly last Sunday. I admire his courage. I admire the way he defended himself.

It is true that a representative of the gentleman to whom he referred is at present occupying a seat in the gallery, and I hope he will take these remarks of mine in the spirit I intend them and will take back to his boss the assurance that I defy the reverend gentleman, too. I have been informed by some of my friends in the city of Scranton, which I represent, that Father Coughlin intends to come to my district to see that I am driven out of Congress. Well, I shall welcome Father Coughlin to the metropolis of the anthracite coal fields and shall watch with considerable amusement his attempt to drive me out of Congress. He will find in that city and in the county of Lackawanna not illiteracy but intelligence. He will find a people who are learned in the system of government; a people who fully appreciate my actions in Congress. Particularly do they appreciate my action on the legislation provoking the present debate. [Applause.]

Ever since democracy was conceived and adopted by a people as the most ideal form of self-attainment in government, its primary task has been to safeguard that ideal against the unscrupulous and demagogic appeal of the self-seeking, ambitious impostor. With the phenomenal mechanical achievement of the radio, the opportunity for the impostor demagogue has multiplied until it has now become the chief threat to the existence of our form of government.

Evidence of this inherent threat in its latest form was manifested quite clearly the day before yesterday—to be specific, Sunday, which day is held sacred by most religions as a day of devotion and prayer. It is unfortunate that this day should be desecrated by one of the most vile and poisonous attacks ever made upon Members of the House of Representatives. This attack was made by a certain clergyman, who has the supreme audacity to dictate to the Members of this body how they should act and to threaten their further continuance in this body by stating that he would drive them out of Congress. He inferred in his stump speech—the only way you can designate it properly—that the Members he referred to were members of the money changers' class. He offered no proof of any description for such an assertion, but stated it with a brazen effrontery that must shock the sense of decency common to all believers in fair play.

I ask the Members of this body here now if there is one of you who will rise in his seat and accuse this gentleman who occupies the Speaker's chair of belonging to the money changers' class. That is the assertion that was made. Now, judge for yourself how preposterous this and his other assertions are.

To my mind a statement so false necessitates immediate repudiation by this body, and I cannot too strenuously plead to take the necessary action to protect the membership from similar experiences in the future.

The gospel, which is my guide as well as his, tells us to "Render unto Caesar the things that are Caesar's and unto God the things that are God's." This is one of the fundamental precepts of my enduring faith. [Applause.]

Is it surprising, then, that some of us believe this silver-brick artist who prates about the money changers in the temple has not the intellectual capacity to understand the inconsistency of his own position as he stands on the very altar of the God to whom his life is dedicated, with one hand on the gospel and the other engaged in counting the speculative silver he has hoarded? [Applause.]

It is my conscientious duty to vote for what I believe are the best interests of my people. I have tried to do that for 6 years. If ever I fail, I earnestly pray that the right to represent my people be denied me. And as long as my mind functions sanely I absolutely refuse to be influenced by coercion, threats, or poisonous remarks by any group or individual whether it is under the garb of religion or the scepter of civil power. [Applause.]

This gentleman may be a learned gentleman in the subject of theology and pose as a master on the subject of money, but his exhibition of ignorance of the rules of the House of Representatives and the power of appointments by the President of members of the committee is, to say the least, amusing. His vitriolic attack in personalities is the beginning of his end as a news item of importance. [Applause.] If my humble advice is worth anything, it is that he return to the gospel and extend his efforts to save souls instead of desecrating the Sabbath with poisonous attacks upon American citizens. I refuse to make any apology to him for any act of mine relative to his unwarranted abuse. His accusations are preposterous and ridiculous, and his presumption of dictating to the Members of this body is to me nonsensical and ordinarily would be unworthy of notice.

His advantage over my feeble effort to reach the people of this country is easily discernible. The vast sum of money at his disposal enables him to broadcast his vilifications. I am not in a position financially to combat such an evil. However, when I return to the district I represent, I shall let them know in no uncertain terms why I became the object of this man's abusive attacks, so unbecoming to one of his calling.

[Here the gavel fell.]

Mr. HAINES. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND. I have a fixed opinion in opposition to financing by inflationary methods and have so stated publicly. If in carrying out these beliefs I am to be condemned by this gentleman, then I must suffer his abuse; and if I am to be sacrificed on his altar of public opinion, such as it is, I again submit and welcome the sacrifice; but, in the meantime, let me notify him now that his raving and ranting will not scare me one iota, and his threat of driving me out of Congress will not change my opinion either of him or his inflationary ideas.

If doing my duty in the position I hold in this body is the object of his attack, again let me inform him that the people in my district will give him the answer later on.

I submit that inflation such as he advocates in the Frazier-Lemke bill has without exception brought chaos, misery, and despair upon every people throughout the history of all time who have been lured to the rocks by its siren call. This is my belief, on which I will stand or fall as a Representative. This man in his egotism evidences every characteristic of the cruel, selfish, and prejudicial dictator. America is great today in comparison with those nations that must suffer rule by men of such character. God, keep America safe and make easy the way of Members of our Legislature who have the moral courage to resist the demands of such unprincipled, self-seeking demagogues who would betray America, as Judas betrayed the Redeemer, for a handful of silver. [Applause.]

Mr. Speaker, in conclusion, let me inform this body today that I, too, belong to the faith this gentleman represents, and have children, seven in number. Five of these children and myself were educated in the convent schools in the city

of Scranton. I have a reputation at stake, and I do not propose to allow an attack of this character to go unchallenged. [Applause, the Members rising.]

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Speaker, I thank God that the Constitution is not suspended and that we still have the right of free speech. I am not here to answer the defense interposed by the gentleman from New York [Mr. O'CONNOR] or the gentleman from Pennsylvania [Mr. BOLAND], but I am here to answer some of the statements made by the gentleman from New York in his rebuttal to the radio speaker of last Sunday. I hope there is no intolerance in this House. I know there is intolerance in this country. I can take you to places where the blacks hate the whites and the whites hate the blacks, where the Protestants hate the Catholics and the Catholics hate the Protestants, where Jews quarrel with Christians and Christians quarrel with Jews. I wish to God that were not so in this land, but it is here, and the gentleman would like to inflame it still further by his reference to a priest being in politics. I ask you, Rev. Chaplain James Shera Montgomery, distinguished minister that you are, and you, Congressman EATON, who graced the pulpit of a church in my city for many years with dignity: Is it politics for a man of Christ to rise on Sunday in a pulpit or by use of a microphone and appeal for a change in an economic system that forces children to go to garbage cans for food; that causes millions to be unemployed and creates bread lines and soup kitchens? Is it politics to raise your voice before a microphone or in the pulpit to condemn a system that destroyed the savings of people when banks by the thousands in this country closed through the manipulation of crooked bankers in Wall Street and elsewhere in the Nation? Is it politics to raise your voice to insure orderly procedure in a democracy so that a Member of Congress, representing his people, may be heard and may get the opportunity for debate in this Congress? I have reference to the Frazier-Lemke petition and the denial of consideration. Is that politics? Then I say, thank God for Father Coughlin. Thank God for men like him who have courage to stand up on Sunday and speak to unseen millions, thirty, forty, or fifty million people, perhaps more, about this situation. You may applaud all you want today. You may jeer all you want today, but back in your districts—and they are not composed wholly or in major part of Catholic people; emphasis has been laid upon that today—there may be a different situation. Two Members of the House say they are being attacked because they are Catholics, or almost make that statement. They tell you about their family relationships, about their children being in convents and their boys on the altar. We are not concerned with that. We are concerned with whether this democracy is going to go on as a free institution, so that men will not sneak in that door [pointing], and come upon this pedestal and say to you: "Get your name off that petition; the President does not want it", thereby denying the right of 30,000,000 farmers to a hearing.

Mr. Speaker, that is what I am going to condemn as long as I am here, and that is what Father Coughlin is going to condemn. [Applause.] Oh, it is all right to say that this man is an itinerant preacher. May I correct the gentleman from New York? The man he has reference to is an accredited pastor of a church in Royal Oak, Mich. Mr. DONDERO represents that district, and I will ask him to speak and say whether he is an accredited minister of the Gospel or not. Better yet; let the gentleman ask his bishop.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SWEENEY. I yield to the gentleman from New York.

Mr. O'CONNOR. I will take the gentleman's word for it if I have been misinformed.

Mr. SWEENEY. I did not like the inference all through your remarks to that effect.

Mr. Speaker, it was not so much Father Coughlin's attack on the methods used to impede the progress of the Frazier-Lemke petition that excited these gentlemen, or one of them, as it was his attack with reference to a private bill,

that a good many Members of this House have their suspicions that something was wrong. I put in the RECORD this morning, and I want you to read it, a reference by my good friend from New York, who said he inherited this bill from his predecessor. His predecessor is dead. His lips are sealed forever. His predecessor was the greatest orator in this House—Hon. Bourke Cockran. His predecessor did not touch that legislation. In the Sixty-seventh Congress—the only time he could have handled it—the RECORD is silent on that subject. I rise to defend the good name of Bourke Cockran. I knew him in life, and I know that he would not touch any legislation which a President of the United States, which an Attorney General, the Treasurer, the Budget Director, and which a Comptroller General would join in recommending a veto.

What is wrong with Father Coughlin when he dares to attack the official records of public officials? That is his right. This is not Russia. Many may get offended because he calls them names and he says he is going to take the lash and drive the money changers out of Congress. There are many servants of big interests in this House. There are many who would like to sit in this temple under the old order and encourage the private monopoly of money. It will take the lash of the American people to restore to themselves the right ordained by the Constitution to control their own Congress—the right to coin money and regulate its value. That is what Father Coughlin is doing. He coined the phrase "Roosevelt or Ruin." I was at the Chicago convention as a delegate. I know the part he played for Roosevelt in 1932. He has a respect, a love, and a confidence for Franklin D. Roosevelt, but he wants to save him from his enemies. So do you on the majority side. You cannot speak of the forgotten man in lip service unless you do something for the forgotten man in fact. You cannot say "drive the money changers from the temple" and then shift to the right to appease the coupon clippers. We are living in a different day and a different generation, believe it or not. I think we have an intellectual ferment now in this country we never had before. The people know who runs the Government, thanks to men like Father Coughlin, thanks to the economists and the students who study these public questions, and who have, through the medium of the radio and the platform, given us a chance to understand.

They have given the man on the farm back in the isolated region, the factory hands, the servant girls that Mr. O'CONNOR talks about, the chance to understand. The gentleman referred to these servant girls donating to Father Coughlin's cause. His is the voice of the servants, the laborers, and the farmers. Oh, I have heard those arguments before. Does it become us to criticize the defender of the meek and lowly? It is the 10 cents, the thin dimes of the poor that build the lasting institutions of civilization. They criticize people who are supporting Dr. Townsend's philosophy because they pay 10 cents a month dues and demand an investigation. Why do not the Members in this House investigate the American Liberty League and the Liberty Bond League? What became of the investigation of the public-utilities lobby on the Wheeler-Rayburn bill, for which an appropriation of \$50,000 was made? There has not been a hearing since last session of Congress. It may involve somebody, I do not know. Give us light, not heat.

The worst crime of the last Congress, in my opinion, was when the Wheeler-Rayburn bill came up here, in the frustrating of a death sentence in which the action of this Congress stinks to the high heaven. This was a bill backed by the administration. In many States the power lobby took the majority of the Congressmen away from the people's interest. The public must know and will know these facts. They do not get the CONGRESSIONAL RECORD, and the subsidized press does not give the facts to them except in speeches here and there; but we know that with respect to you men who are here that there is a day of reckoning coming. I can appreciate the state of mind that my friend from New York and my friend from Pennsylvania experience hearing from the people back home. I can appreciate that as a Representative in Congress, but I also know that even

though the heat is on, down in your hearts you know, and this Congress knows now, and the Nation knows now, there is only one issue—honest public service. Public office is a trust. The right of debate belongs to the Congress, not to be blocked by men at this door or at that door or in some office or even from this rostrum.

This is a democracy, and as long as I am here, if I have the time—and time is not given to many of us who would like to speak on these questions—I shall register my protest against the obstruction to free speech and honest debate.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield? I have something that is important, but it will take me a minute or two.

Mr. SWEENEY. I yield.

Mr. DUNN of Pennsylvania. I want to say to the gentleman now speaking that I have great respect for my good friend, JOHN O'CONNOR, and also for PAT BOLAND, and for the President of the United States—in fact, for everybody—but what the gentleman has said today and what Father Coughlin has said over the radio pertaining to certain men coaching Congressmen and threatening them if they do not take their names off that petition is absolutely correct.

[Here the gavel fell.]

QUESTION OF PERSONAL PRIVILEGE

Mr. BLANTON. Mr. Speaker, I have refrained from interfering with the special orders today, but I clearly have a question of personal privilege, but unless it is necessary I do not care to assert it. I ask unanimous consent to proceed for 30 minutes.

Mr. MARCANTONIO. Mr. Speaker, I object.

Mr. BLANTON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of privilege.

Mr. BLANTON. Mr. Speaker, in this morning's Washington Post, in a front page long attack upon me, I read the following excerpts to show privilege.

In referring to a mass meeting in Washington Sunday, I read:

It was virtually assured, however, that the meeting gained at least partially the ends it sought when the writer learned yesterday that the Blanton appropriation subcommittee would approve restoration of many health items which were eliminated by the Budget Bureau.

It was the President's Budget they were attacking.

In a continuation of the article, which covers much of another page, I read—

Mr. ZIONCHECK. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. It is very evident that this is not a matter of privilege. The question was not raised in the House, but is in a newspaper article, according to the gentleman's own statement.

The SPEAKER. The Chair will hear the gentleman. The point of order is overruled.

Mr. BLANTON. I read further:

Dr. Prentiss Willson, who served as chairman of the mass-meeting committee on program and resolutions, last night issued a statement in which he asks concerted action to have BLANTON transferred from his present powerful post on District affairs.

And under a headline "Called Unfit for Post" it continues:

This is so obvious that his further retention on committees dealing with the District ceases to be a personal matter and makes the whole House of Representatives a party to his blind prejudice and responsible for a continuation of his activities.

Any civic group that now fails to exercise its right to petition the House of Representatives to effect his removal from committees dealing with the District is not only derelict in its duty but guilty of forgetting the truth that opportunity is prone to knock but once on any door.

In other words, the psychological moment has arrived.

Mr. Eugene Meyer's Washington Post says "the psychological moment has arrived" for the Washington newspapers to get me out of their way, so they may rob the Treasury.

And in a long editorial, covering almost an entire column of the Post, in a long attack, I read only the concluding paragraph, which clearly shows privilege:

The case of the people of Washington against THOMAS L. BLANTON is clearly posed. It is one of ignorant and prejudiced domination over local appropriations by a Congressman whose chief reliance in an argument seems to be epithets and fists. It is an important case for Congress as well as for the voteless Capital City.

Note this, Mr. Speaker—

Indeed, the disgrace that such tactics bring upon the National Legislature—aside from their deplorable effects upon Washington—should result in a speedy transfer of Mr. BLANTON—

And so forth.

Mr. Speaker, I submit, without reading further, that under our rules this clearly shows privilege.

The SPEAKER. The rules of the House provide that questions of privilege shall be first those affecting the rights of the House collectively, its safety, dignity, and integrity of its proceedings; second, the rights, reputation, and conduct of Members individually and in their representative capacity only.

Without entering into a discussion of the language which has been read by the gentleman from Texas, the Chair clearly thinks that the publication which charges that his conduct has been so disgraceful as to reflect upon the Members of the House entitles the gentleman to be heard on the question of privilege, and the Chair therefore recognizes the gentleman from Texas for 1 hour. [Applause.]

Mr. BLANTON. Mr. Speaker, because I want to cooperate with the majority leader in taking as little time as is absolutely necessary, I shall have to refuse to be interrupted, and cannot yield, at least until I present some important matters to the House. I ask unanimous consent to revise and extend my remarks, and include a few excerpts.

Mr. MARCANTONIO. What excerpts?

Mr. BLANTON. Various excerpts which I shall refer to without going into them in extenso.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BLANTON. Mr. Speaker, the Continental Congress in our country in its early days, because of obstruction and interference from the people outside, was forced to meet and assemble on 10 occasions in 8 different places in succession. The Congress met at Philadelphia; at Baltimore; back to Philadelphia; at Lancaster, Pa.; at York, Pa.; then back to Philadelphia again; at Princeton, N. J.; at Annapolis, Md.; at Trenton, N. J.; and in New York.

Because of interference and obstructions from local people from time to time, the Congress of the United States had its seat of government both at New York and in Philadelphia. In order to have a seat of government where Congress might attend to the business of the people without interference, back in 1790 there was arranged for the Government to acquire a site of its own that should belong to the Government; that should be controlled by no other power than Congress itself; and that was provided in the Constitution of the United States fixing a seat of government 10 miles square, which is now known as the District of Columbia.

Mr. Speaker, at the outset of my remarks I deem it advisable to show constitutional authority for the Congress of the United States to control at all times not only all legislation pertaining to and affecting the District of Columbia, but also all of its expenses.

I call attention to the Constitution of the United States with respect to the duty that the Congress owes and the authority that it exercises over the District of Columbia. Clause 17 of section 8 of article I of the Constitution of the United States provides that the Congress shall have power—

To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

I quote now from Watson on the Constitution, page 698:

This clause confers upon Congress absolute control and authority over the District of Columbia. It probably grew out of an unpleasant episode in the history of the Continental Congress while it was sitting in Philadelphia.

Toward the close of the War of the Revolution Congress was surrounded and greatly mistreated by a body of mutineers of the Continental Army. This led to the removal of the seat of government from Philadelphia to Princeton, N. J., and later, for the sake of greater convenience, to Annapolis.

In construing the above clause of the Constitution in the cases I shall thereunder cite, the Supreme Court of the United States held:

By this clause Congress is given exclusive jurisdiction over the District of Columbia for every purpose of Government, national or local, in all cases whatsoever, including taxation. The terms of the clause are not limited by the principle that representation is necessary to taxation (*Loughborough v. Blake*, 5 Wheat. 321; *Kendall v. U. S.*, 12 Pet. 619; *Shoemaker v. U. S.*, 147 U. S. 300; *Parsons v. District of Columbia*, 170 U. S. 52; *Capital Traction Co. v. Hof.*, 174 U. S. 5; *Gibbons v. District of Columbia*, 116 U. S. 404).

In the First Congress of the United States, in an act approved July 16, 1790, entitled "An act for establishing the temporary and permanent seat of Government of the United States", it provided:

That a district of territory, not exceeding 10 miles square, to be located as heretofore directed on the River Potomac, at some place between the mouths of the Eastern Branch and Connogochegue, be, and the same is hereby accepted for the permanent seat of government of the United States.

The above act provided for the erection of suitable buildings for the accommodation of Congress, and of the President, and for the public offices of the Government by the first Monday in December 1800, until which time the temporary seat of government should remain in Philadelphia, Pa., but that on the first Monday in December 1800, the seat of government and all offices of the United States should be transferred and removed to said district, and thereafter cease to be exercised elsewhere.

EXPLANATION BY WILLIAM HOWARD TAFT

On May 8, 1909, leading citizens of Washington gave a banquet to President Taft, who in later years was Chief Justice of the Supreme Court of the United States. In explaining the necessity under the Constitution for preventing the people of Washington from having self-government, President Taft, in addressing said banquet, said:

This was taken out of the application of the principle of self-government in the very Constitution that was intended to put that in force in every other part of the country, and it was done because it was intended to have the representatives of all the people of the country control this one city, and to prevent its being controlled by the parochial spirit that would necessarily govern men who did not look beyond the city to the grandeur of the Nation and this as the representative of that Nation.

In an article prepared by George W. Hodgkin, which was published as Senate Document No. 653, second session, Sixty-first Congress, on June 25, 1910, he quoted the above statement from President Taft and admitted the following:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

Madison argued:

The indisputable necessity of complete authority at the seat of government carries its own evidence with it. Without it, not only the public authority might be insulted and its proceedings interrupted with impunity but a dependence of the members of the General Government on the State comprehending the seat of government for protection in the exercise of their duty might bring on the national councils an imputation of awe or influence equally dishonorable to the Government and dissatisfactory to the members of the confederacy.

There is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs.

Several attempts have been made so to amend the Constitution as to give the inhabitants elective representation in Congress and participation in presidential elections.

ORIGINAL CESSION OF DISTRICT BY MARYLAND AND VIRGINIA

The State of Maryland, by an act approved December 23, 1788, directed that—

The Representatives of this State in the House of Representatives of the Congress of the United States, appointed to assemble at New York on the first Wednesday of March next, be, and they are hereby, authorized and required on behalf of this State to cede to the Congress of the United States any district in this

State, not exceeding 10 miles square, which the Congress may fix upon and accept for the seat of Government of the United States.

The State of Virginia, by an act approved December 3, 1789, provided:

That a tract of country not exceeding 10 miles square, or any lesser quantity, to be located within the limits of this State, and in any part thereof as Congress may by law direct, shall be, and the same is, forever ceded and relinquished to the Congress and Government of the United States, in full and absolute right and exclusive jurisdiction, as well of the soil as of persons residing or to reside thereon, pursuant to the tenor and effect of the eighth section of the first article of the Constitution of the Government of the United States.

It should be remembered that Mr. Hodgkins was discussing the matter from the standpoint of the citizens of the District of Columbia, and he made the following pertinent admission:

Congress exercises over the District of Columbia, in addition to its national powers, all the powers of a State, including the power to control local government. Local officials are either directly or indirectly appointed by and are responsible to the National Government.

In 1846 Congress ceded back to Virginia the city and county of Alexandria.

In 1871, after continual hammering of Congress by the papers of Washington, it passed an act giving the District a government of its own and provided that the tax rate in Washington should be \$3 on the \$100 and provided for the District to elect and send a Delegate to Congress.

It took only 3 years for Congress to recognize the unwisdom and folly of such an affront to the Constitution, and in 1874 Congress repealed that foolish act and abolished the position of Delegate.

PHILADELPHIA HOUSED BOTH HOUSES OF CONGRESS FREE

It is interesting to remember that during the 10 years the seat of our Government was located in Philadelphia the commissioners of the city and county of Philadelphia furnished to our Government without any charge whatever the building at Sixth and Chestnut Streets for the use of both Houses of Congress.

The removal to Washington of the seat of our Government from Philadelphia was completed by June 15, 1800. A building was rented in Washington near the corner of Ninth and E Streets NW., about where the south wing of the present old Post Office Department Building is situated, at a rental of only \$600 per year, and the owner permitted the Government to spend half of that sum for renovations and improvements, and this building housed the Post Office Department of the United States and the local post office for Washington and quarters for the family of Hon. Abraham Bradley, Jr., the Assistant Postmaster General, all provided for an annual rental of only \$600.

The main objective of our Government in acquiring territory owned and controlled by it for its seat of government was to have complete authority over it, which Madison said was "an indisputable necessity." Without complete authority, Madison said, Congress might be insulted. It was Madison who said that without complete authority over its seat of government there might be an awe or influence exerted over Congress that would be dishonorable to the Government, and that the proceedings of Congress might be interrupted with impunity.

Subsequent developments have demonstrated the great wisdom of our forefathers when they acquired a territory of 10 miles square for a seat of government, to remain under the absolute control and authority of Congress.

Even such a loyal, able advocate of the District of Columbia as George W. Hodgkin was forced to admit that Congress exercises absolute control over the District of Columbia and that local officials are responsible to the National Government, and that "there is no room for doubt that the Constitution, without amendment, does not permit the participation of the District in national affairs."

People who see fit to reside in the District of Columbia do so with knowledge of the above situation and constitutional limitations. They cannot justly complain that they cannot run the affairs of the seat of government, when

their Constitution provides that such affairs shall be run by Congress. If they do not like the provisions of the Constitution and the exercise of those provisions by Congress, they can move away from Washington and go elsewhere. They are not tied here. They can move at will. And they had better move, because Congress is going to stay here.

This Government moved here to occupy its own site in 1800, and history has been repeating itself ever since.

Why, during the last 100 years there has been interference after interference with the orderly proceedings of Congress by local people of Washington. It was this interference and constant bullragging that finally persuaded Congress in 1871, against the provisions of the Constitution, which Constitution provided that Congress shall retain absolute control over all legislation and tax matters in the District of Columbia; in the face of that provision of the Constitution they persuaded Congress to establish a District government with a governor and a representative in the Congress.

It then took 3 years for them to repeal such law, when they realized they had exceeded the constitutional authority.

Ever since then there has been a determined effort on the part of the people to override Congress and take from it its control over legislation and tax matters in the District.

Every man who has had the temerity on committees, either as chairman or otherwise, to stand up and oppose unreasonable demands of Washington people and maintain the constitutional rights of the United States Government against Washington people's attempted control of Congress, has been attacked, ridiculed, demeaned, belittled, libeled, and slandered, and most of them have been ruined and put out because of the attacks made upon them by Washington newspapers.

My old friend Ben Johnson, of Kentucky, than whom there was never a braver man or one better posted on the affairs of the District of Columbia, was attacked, unjustly criticized, grossly slandered, and demeaned by the Washington newspapers which belittled and hounded him until they made his life miserable.

I was very close to him as we officed near each other on the same floor, and he gave me much valuable help and assistance in my check-up here of District affairs. During the years he was chairman of the District Committee, every time he took a decided stand against their unjust demands, the newspapers here would attack him unmercifully and sought in every way to remove him.

His committee, under his able guidance as chairman, once conducted a careful, painstaking investigation of the many huge sums of money this Government had spent for the people of Washington and the many things the United States had done for and given to the people of Washington, and he claimed at one time that the Washington people owed the Government of the United States about \$60,000,000.

Yet, at all times, Mr. Speaker, the distinguished gentleman from Kentucky, Ben Johnson, was most generous to Washington and to the people of Washington. He did much to help develop and beautify this wonderful city. But, because he would not obey the mandates of the Washington newspapers, they persecuted him with abuse, with ridicule, with false accusations and slander until he got tired of it all and said, "It isn't worth while." He said, "I have done my part in carrying on the fight; now let somebody else do some of it." They broke his spirit. They murdered him. They have tried to ruin every Member of Congress who stood up and opposed them.

Mr. ROBSION of Kentucky. May I correct the gentleman? Ben Johnson is alive today.

Mr. BLANTON. I was talking about his political life.

Mr. ROBSION of Kentucky. But Ben Johnson is very much alive today.

Mr. BLANTON. I was talking about his political life here in Congress, when he was the able, efficient chairman of the District Committee.

Mr. ROBSION of Kentucky. He is running Kentucky now.

Mr. BLANTON. But when he was here the newspapers made his life miserable. I was determined that those who took up his work where he left off should have help and should not have to bear the burden alone. Because the newspapers could not control them, I have seen such brave, fighting men as Louie Cramton, of Michigan, and Bob Simmons, of Nebraska, defeated and put out of Congress, partly because of newspaper attacks against them.

When I was placed on the District of Columbia Committee about 20 years ago, my friend Ben Johnson gave me a lot of most valuable information, and many of his records, reports, and data which he collected on District matters. That has been helpful to me in my work on the District finances and legislation.

DOCTORS' ATTACK ON PRESIDENT

Mr. Speaker, before our committee met or ever held a hearing on the District appropriation bill the Washington newspapers began vicious attacks upon committee members, especially upon me, because they knew I was to be the chairman in charge of that appropriation bill. In a big headline on the front page they said, "Dr. Bocock defies BLANTON about health matters in Gallinger." I have here a letter received from Dr. Herbert P. Ramsey, a splendid gentleman and a highly respectable citizen, who is chairman of the committee on public information for the Medical Society of the District of Columbia. He wrote to me as follows:

THE MEDICAL SOCIETY OF THE DISTRICT OF COLUMBIA,
Washington, D. C., February 13, 1936.

DEAR MR. BLANTON: May I call your attention to certain inaccuracies in a report carried in the Washington Herald yesterday (February 12), specifically a subheadline as follows: "Dr. Bocock defies BLANTON."

Nothing could be further from the truth. A reporter from the Herald visited this office on the afternoon of the 11th and interviewed the undersigned concerning conditions at Gallinger Hospital. Dr. Bocock was not present and knew nothing of the interview. Factual data was given the interviewer, and no reference at all was made to you.

On account of the uncertainty of accurate news reporting by this paper, as evidenced by this article, we have notified the city editor of the Washington Herald that he can expect no further news from the committee on public information of the medical society during the present publicity campaign unless and until he finds some way to make amends for the injustice done to you and to Dr. Bocock.

Very sincerely yours,

HERBERT P. RAMSEY, M. D.,
Chairman, Committee on Public Information.

The newspapers have never yet corrected that untrue statement. They have never yet said that Dr. Bocock did not have anything to do with that erroneous publication and made no reference to me whatever.

Dr. Bocock appeared before our committee and testified at length in behalf of his institution with reference to the conditions and the needs there. He said that the above publication was absolutely untrue; that he had never asked me for a thing that I did not give him; that he had never asked our committee for a thing that the committee did not give him; that he has not even called on me since last year.

That is the way this misinformation gets out.

The Washington papers incited a big mass meeting that was held by the physicians of the District on last Sunday. They worked it all up. They managed it. When I first heard of that I said to one of the physicians connected with it: "You allow these newspapers to create a sentiment that does not exist. You will let them make Washington people think we are antagonistic when we are not. We are alive to the medical needs of Washington. We are alive to the situation. You let them poison the minds of the Washington people against Congress." The minds of Washington people are poisoned against Congress. Newspapers here have caused it. Just go down here and get into a traffic accident with some Washington person and you will see how quickly they all will take sides against you. They will take sides against any Congressman every time. Their minds have been poisoned against Congress.

Some of the very best friends I have in my district are physicians. Some of my best friends in Washington are physicians. I visit in their homes. I have fraternized with

them. In this big Medical Society of the District of Columbia there are several hundred of the finest men in Washington. I respect them. I have for them only the friendliest of feeling. But that does not keep me from denouncing the improper practices of some of them.

And when some physicians in their organization make an unjust, improper attack upon the President of the United States, and call a mass meeting as an indignation meeting against the President, for that is what it was, pure and simple, because they met to attack the President's Budget and to make people believe that the President was wholly unsympathetic toward proper funds for public health in Washington; and they invite me to come to their meeting and then hiss their guest, because I defend the President, I had the right to defend against such improper discourtesy.

Here is our colleague from New York, Mr. SIROVICH, an eminent physician, who has served with us for years. Are we not good friends and have we not always been?

Mr. SIROVICH. Yes; except on prohibition.

Mr. BLANTON. Except on prohibition; but, in spite of prohibition, we are close personal friends.

Mr. SIROVICH. We were friendly enemies then.

Mr. BLANTON. We were friendly enemies even then, when we fought almost daily on prohibition. Every day in the week these newspapers advertised this mass meeting that was held last Sunday. I talked with several Members of Congress, and we finally agreed not to attend the meeting. We felt that there would be an effort there to involve us in controversies that might be hurtful to the Congress, so we decided not to go. I made arrangements to spend that afternoon with a reporter of the Washington Post, visiting hospitals in Washington. I had an engagement with him to begin at 3 o'clock. When I went home I found a personal invitation from this committee of physicians, inviting me to be present, and I found another letter from a doctor urging me to be present. I felt that as your representative and as chairman of your committee holding hearings, I did not have a right to refuse to go there. Being especially invited, I went there.

That was the biggest flop I ever saw of a public mass meeting. I am used to counting a quorum in this House, and I can tell when there is a quorum here. In that big auditorium in the Central High School at this meeting that had been advertised daily for a week, after they advertised all the big organizations that were sponsoring it, there were people on both sides along the middle aisle and some people in front. But all that big space on the right part of the auditorium was empty. And the left part of the auditorium was empty.

Up in that big gallery, they had five ushers and only three people up there during the entire meeting—five nurse ushers and three in the gallery audience. There were not over 300 people there at the outside, and any unbiased person will tell you so. They had to wait until 12 minutes past 3 to get enough people to start the meeting, notwithstanding they had a splendid orchestra there giving music all the time to draw the people.

I walked in and sat down. Here is the big printed program they had. Here was an indignation mass meeting. Were the people of Washington perturbed about the way Congress was treating them? No. The people were not alarmed. They stayed at home. They did not attend. In a big city of 500,000 population only 300 people were there. Most of them were doctors, doctors' wives, and nurses, and people connected with the hospitals. I was the only Congressman present, because the chairman asked if any Congressmen were there to stand up, and nobody responded. Here is their big printed program:

THE PUBLIC HEALTH EMERGENCY IN WASHINGTON—MASS MEETING OF CITIZENS OF THE DISTRICT OF COLUMBIA, SUNDAY, FEBRUARY 16, 1936, AUDITORIUM OF THE CENTRAL HIGH SCHOOL, WASHINGTON, D. C., SPONSORED BY THE MEDICAL SOCIETY OF THE DISTRICT OF COLUMBIA

COOPERATING ORGANIZATIONS

District of Columbia Federation of Women's Clubs.
The Parent-Teacher Association of the District of Columbia.
The Merchants' and Manufacturers' Association.
The Washington Federation of Churches.

The Tuberculosis Association of the District of Columbia.
District of Columbia Dental Society.
The Washington Central Labor Union.
The Federation of Citizens' Associations.
Catholic Charities of the District of Columbia.
The Washington Board of Trade.
Graduate Nurses' Association of the District of Columbia.
The Federation of Architects, Engineers, Chemists, and Technicians, Washington Chapter.
"Public health is purchasable. Within certain natural limitations any community can determine its own death rate." (Dr. Herman Biggs, former health officer of the State of New York.)

Then on the next page was:

The Right Reverend James E. Freeman, Bishop of Washington, honorary chairman.
Rev. Dr. Abram Simon, rabbi, of the Washington Hebrew Congregation, chairman.

PROGRAM

Music by Leon Brusiloff and his string ensemble.
Musical selections: Processional march, March of the War Priests (from Athalia), Mendelssohn; Trees, Rasbach.
Introductory remarks, Rabbi Simon.
The Facts of the Health Situation in Washington, Dr. Sterling Ruffin, president, the Medical Society of the District of Columbia.
The Increased Problem of Charities Due to Inadequate Funds for Public Health, Rev. Dr. Lawrence J. Sheehan, assistant director of Catholic Charities of the District of Columbia.
Serenade, Tosselli.
Public Health from the Woman's Point of View, Mrs. Harvey W. Wiley.
Public Health a Purchasable Commodity, Dr. Harry Stoll Mustard, associate professor of public health administration, School of Hygiene, Johns Hopkins University, Baltimore, Md.
Report of the committee on resolutions, Dr. Prentiss Wilson, chairman.
Exit march, For Your Land and My Land, Romberg.

On the outside page was—

COMMITTEE ON ARRANGEMENTS

Dr. Arthur C. Christie, chairman; chairman, public health committee of the Washington Board of Trade.
Dr. C. B. Conklin, secretary, Medical Society of the District of Columbia.
Mr. Robert J. Cottrell, executive secretary, the Washington Board of Trade.
Dr. Herbert P. Ramsey, chairman, committee on public information, Medical Society of the District of Columbia.

COMMITTEE ON PROGRAM AND RESOLUTIONS

Dr. Prentiss Wilson, chairman; chairman, committee on medical economics, Medical Society of the District of Columbia.
Mrs. Lloyd Biddle, president, District of Columbia Federation of Women's Clubs.
Miss Inez Cadel, president, Graduate Nurses' Association of the District of Columbia.
Mrs. L. B. Castell, president, the Parent-Teacher Association of the District of Columbia.
Mr. James E. Colliflower, president, the Merchants' and Manufacturers' Association.
Rev. Dr. W. L. Darby, executive secretary, the Washington Federation of Churches.
Mrs. Ernest R. Grant, executive secretary, the Tuberculosis Association of the District of Columbia.
Dr. Stephen Hopkins, president, District of Columbia Dental Society.
Dr. William H. Hough, chairman, Committee on Public Health, Medical Society of the District of Columbia.
Mr. John Locher, president, the Washington Central Labor Union.
Mr. Thomas Ellis Lodge, president, the Federation of Citizens' Associations.
Rt. Rev. John O'Grady, director of Catholic Charities of the District of Columbia.
Mr. Alexander Richter, president, Federation of Architects, Engineers, Chemists, and Technicians, Washington Chapter.
Mr. John Saul, president, the Washington Board of Trade.
Eight local hospitals and the Instructive Visiting Nurse Society have cooperated in providing nurses to usher at this meeting.

REGRETS ANNOUNCED

The Right Reverend James E. Freeman, honorary chairman, Bishop of Washington, did not come. He sent his regrets. He could not come.

The Increased Problem of Charities, Due to Inadequate Funds for Public Health was not forthcoming, as the Reverend Dr. Lawrence J. Sheehan, assistant director of Catholic Charities of the District of Columbia, sent his regrets. He could not come. He had to be somewhere else.

THE PEOPLE'S PETITION

They had a large number of nurses circulating the following petition, presenting it to every person in the audience, and asking them to sign it. I signed the first paragraph only of it. I now quote it:

THE PEOPLE'S PETITION TO FIGHT TUBERCULOSIS

To the District Committees of the Senate and House of Representatives:

We, the undersigned citizens of the Nation's Capital City, being determined to reduce the shamefully high tuberculosis death rate—second highest in the United States—to combat with all available means this communicable but preventable disease, and to make our city a safer place in which to live and to rear our children, do urge your favorable action:

1. That the adult Tuberculosis Hospital at Fourteenth and Upshur Streets shall not be closed on December 31, 1936.

2. That a comparable number of hospital beds shall be provided in this city for critical and surgical tuberculosis cases before the Upshur Street hospital shall be closed.

3. That the Glenn Dale Sanatorium, when in operation with 700 beds, will still be insufficient so long as more than 600 persons die each year from this communicable disease.

4. That 32 nurses should be the minimum staff to care for 300 children at Glenn Dale on the basis of the recommendation of the National Hospitalization Committee appointed during President Harding's administration.

5. That the Nation's Capital City of the world's richest country, at present spending only 98 cents per capita for public-health services, can well afford to spend from \$2 to \$2.50 per capita, which is the accepted standard for other cities.

We sign this petition in the hope that the United States Congress will appropriate funds sufficient to secure for their own legislators the same degree of health protection, while they are in Washington, D. C., that they are afforded in their respective home communities.

I saw them present the petition to lots of people in the audience. Some of them would look at it a moment, glance at the signatures, and without reading it would sign it; yet it would take anyone of you gentlemen 5 minutes to read and digest the resolution. They would see that some other people had signed it and then they would sign it, although I noticed that some men and women who did read it did not sign it, but handed it back. I do not know how many signatures they may have gotten all over town, but that was the way it was signed there in that meeting.

That whole mass meeting was a reflection upon the President of the United States; it was an attack upon his Budget. It intimated that he was not alive to the necessity of public health in his Capital, where he presides in the White House as the Chief Executive of this Nation, notwithstanding all he has done for the afflicted, notwithstanding all his efforts at Warm Springs. It was a reflection upon him. It was a reflection upon the Congress of the United States.

Let me read you what Colonel Yaden, of the United States Civil Service, who has been president of the Federated Citizens' Association of Washington for several years—Colonel Yaden, one of the finest men I ever knew, and those of you who know him will agree with me—let me show you what he wrote this outfit when they tried to get him to sponsor this meeting. I quote his letter:

WASHINGTON, D. C., February 14, 1936.

DR. C. B. CONKLIN,
Secretary, the Medical Society of the District of Columbia,
1718 M Street, Washington, D. C.

MY DEAR DR. CONKLIN: I have your special-delivery letter of the 12th instant, which was received by me this morning, February 14, at 7:30, advising me of the deep interest of gaining funds sufficient to meet the health needs of the District of Columbia and inviting my organization to join with the Medical Society and other organizations in a mass meeting at the Central High School at 3 p. m. on Sunday, February 16, 1936.

I appreciate the high purposes and the aims of the Medical Society of the District of Columbia. I feel, however, that your society is taking a very foolish step and one that is calculated to injure the cause which you espouse. I have dealt with Senators and Congressmen for 18 years, and I found very few whom I could drive, although I have found most of them reasonable and willing to go along when I was in the right. I have always tried to prevail upon the organizations of which I was president and of those to which I belong to "let's try logic on Congress rather than 'mob' them, scold them, abuse them, or try to drive them."

I am very much interested, and have been for years, in the public health of the District of Columbia; but believing that you are attacking the problem in the wrong way, I regret to have to advise you that I shall be unable to ask my organization to participate in the mass meeting referred to.

With highest personal regards, I am,
Very sincerely yours,

J. C. YADEN, President.

Remember, I was an invited guest at this meeting—I was representing you—I was invited there because I was chairman of one of your committees framing an appropriation

bill. Any disrespect shown me was disrespect shown to you. Disrespect that was shown me was because of what I was doing in your committee. Now, let me show you what happened. When in my speech I said—"My friends, Congress has always been generous with the people of Washington, and you can depend on Congress being generous now"—some of those doctors and those doctors' wives and their friends in that audience, whose minds the Washington newspapers have poisoned, booed me and hissed me because I made that statement. [Applause.]

Oh, well, that applause from only one Member comes from the leading Communist of the country—the man who leads the Communists of his in New York. When the authorities say it is against the law to have a parade, when they do not let him and they order him not to have one, he says: "I came here to hold a parade, and I am going to hold it. Come on!" And about that time a policeman took charge of him and took him to the police station.

MR. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

MR. MARCANTONIO. I was going to ask that those words be taken down and stricken from the Record, but inasmuch as they come from the gentleman from Texas, anything he says against anybody is only a boost and I am not going to ask to have them taken down and stricken from the Record.

MR. BLANTON. Because the gentleman knows I have made a true statement.

I am glad that the House granted me permission to revise and extend my remarks and to incorporate excerpts, because it gives me an opportunity to show that I have in no way been unfair to my colleague from New York. He was the only Member of this Congress who applauded when I said that some people at that doctors' mass meeting "hissed me" when I told them that Congress would be fair to the people of Washington. Communists believe in "hissing" at public gatherings. The New York Times is a substantial newspaper, well recognized for its accuracy. Here is what it said this morning regarding last Saturday's demonstration in New York:

Police Commissioner Lewis J. Valentine replied yesterday to Representative VITO MARCANTONIO's challenge for a gymnasium bout by offering to meet the challenger "with a flit gun" in Madison Square Garden.

At the same time Victor F. Ridder, W. P. A. Administrator, denounced as Communist agitators Mr. MARCANTONIO and others who took part in the Madison Square Park demonstration last Saturday. The demonstration ended when Mr. MARCANTONIO and 12 others were taken to the East Twenty-second Street Station in a police patrol wagon for "protective custody."

As a sequel to police action that stopped the parade, which was to have proceeded from Madison Square Park to W. P. A. headquarters, in the Port Authority Building, Fifteenth Street and Eighth Avenue, Mr. MARCANTONIO announced that he would like to meet Mr. Valentine "alone in a gymnasium."

SEES "BOY" IN MAN'S JOB

Mr. Valentine laughed off the challenge when he left his weekly conference with Mayor La Guardia at City Hall. Then he observed:

"This is just another evidence of what happens when you elect a boy to a man's job."

RIDDER ASSAILS AGITATORS

Mr. Ridder, in discussing the disturbance, challenged the right of Mr. MARCANTONIO to call himself a Republican. He added:

"This was a Communistic demonstration. MARCANTONIO can call himself what he wants. He can call himself a Republican until he is blue in the face, but actually the other day showed that he wasn't a member of any party."

"Instead of using the W. P. A. as a smoke screen for communistic demonstrations, the Communists should be allowed to continue their meetings in Union Square as heretofore. The list of the people arrested on Saturday shows again that there were practically no W. P. A. workers involved in either the demonstration or in the altercations."

Mr. Ridder declared he "bitterly resented the efforts of agitators to attempt to fasten on the W. P. A. in New York City the onus of this disgraceful demonstration, which was nothing but a political activity and in no sense a demonstration or protest by the workers of W. P. A."

Inasmuch as the gentleman from New York, and he alone, saw fit to applaud, it would be manifestly unfair for me to allow the matter to go unexplained, when readers all over the United States, seeing in the Record "applause", might

otherwise assume that more than one Member here caused such applause.

When the newspapers of Washington misrepresent the facts about me they may expect me to correct their misstatements. I am not going to let them get away with it. I am going to call their hand.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BLANTON. No; I will not yield now.

Mr. ZIONCHECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ZIONCHECK. If this is privileged, any time a newspaper tells a lie about me I am going to take an hour to talk about it.

The regular order was demanded.

Mr. BLANTON. Mr. Speaker, I refuse to be interrupted by obstreperous conduct like that.

Now, I will tell you what caused a threatened physical attack to be made on me. I was appealing to the doctors there to stop certain abuses. I told their medical society officers there that a doctor appeared before our committee and testified that he received a salary of \$3,200 from the District of Columbia for full time, and yet he admitted that he did private practice, and maintained a private office, and that any hour of the day if any of his private patients called him he would leave his public job and go to that patient. I told them that there were too many doctors on the pay roll being paid by the District government taxpayers and who give too much time to private practice in their offices uptown. When the meeting was over and I went to the back stage to get my overcoat and hat, because I made that statement, there were 8 or 10 doctors surrounded me in a circle and they tried to abuse me, until they found out that I would not take it.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. BLANTON. I do not yield to the gentleman.

Mr. ZIONCHECK. That is the very crux of it right there.

Mr. BLANTON. I will not allow the gentleman to interject any remarks in my speech.

When they began to be abusive, I acted just like you would. I was there to defend not only myself, but also to defend the integrity of the House. These statements were being directed against the House in a mass meeting, because I was chairman of a committee acting for the House. The whole mass meeting, in effect, was an attack upon the President and Congress. When they surrounded me and began their abuse, I said: "Just wait a minute, if you insist on a scrap, you cannot gang up on me. I am here by myself. You are ganging up on me, but you cannot do that. If you will get back, however, and come at me one at a time I will take you on one at a time." Now is that not just what you would have done? I was there defending the integrity of this House, because I attended that meeting in my representative capacity as chairman of one of your committees.

DOCTORS ON THE PAY ROLL

Now let me mention some of the doctors who are on the pay roll of the District of Columbia. This is official data furnished me this morning by the District auditor, Major Donovan. Let me read some of the doctors' names and salaries. Many of them are in private practice and have offices uptown. They get big salaries from the District government and the United States contributes \$5,700,000 annually on the District expenses. There are some of them who do not maintain a private practice, but most of them do.

First, there is Dr. A. Magruder MacDonald, the one I referred to previously, who gets \$3,200 a year salary for full time. I said, "Doctor, you have an office uptown, have you not?" He said, "Yes." I said, "If one of your patients phoned you at 9 o'clock in the morning, would you go?" He said, "Yes." I asked him, "Suppose they would phone you at 10 o'clock in the morning, would you go?" He said, "Yes." I said, "Suppose they communicated with you at 11 o'clock in the morning, would you go?" He said, "Yes." I said, "Suppose they telephoned you at 12 o'clock, would you go?" The answer was "yes." I then asked him, "Suppose they phoned you at 1 o'clock, would you still go?" He said,

"Yes." Then I asked him, "How about 2 o'clock?" He answered, "Yes"; he would go. I asked him, "Suppose one of your private patients phoned you at 3 o'clock, would you go?" He said, "Yes"; he would go. This shows that his private practice is more important to him than the duty and obligation he owes the taxpayers of Washington, and this doctor receives a salary of \$3,200 a year for full time.

Let me read you some more. There is Dr. C. J. Murphy, who gets \$1,600 a year for half time. Dr. Richard M. Rosenberg, who gets \$1,600 for half time. Dr. Daniel L. Borden gets \$3,040 for 80 percent of full time. Dr. Virginius Dabney, \$3,040 for 80 percent of full time. Dr. John A. Reed gets \$3,040 for 80 percent of full time. Dr. Wilbur H. Brandenburg gets \$3,040 for 80 percent full time. Dr. F. Y. Williamson gets \$3,040 for 80 percent full time. Dr. W. Warren Sager gets \$3,040 for 80 percent full time. Dr. George C. Ruhland, health officer for the District, gets \$6,500 for full time. Yet, I frequently ring him up during office hours and cannot find him. He was out when I rang him today, and so was his assistant. Dr. Daniel L. Seckinger gets \$5,600 a year for full time. Dr. James G. Cumming gets \$4,600 for full time. Dr. A. B. Coulter gets \$2,800 for half time.

Half time means half of 7 hours a day. Full time means 7 hours a day.

Dr. J. D. Bradfield gets \$3,400 salary for full time. Dr. S. M. Grayson gets \$3,400 for full time. Drs. G. W. Creswell, E. M. Ellison, G. R. Gable, W. M. Glover, A. T. Morgan, Bernard Notes, J. F. Rogers, J. F. Rogers—there are two J. F. Rogers—S. R. Taggart, E. A. Taylor get small salaries for attending free clinics, involving about 2 hours a day each.

Then there is Dr. T. C. Thompson, who gets \$1,720 for three-sevenths of full time.

Dr. J. A. Murphy, as chief medical inspector of schools, gets \$4,800 for full time.

Dr. E. S. Coale, as an inspector, gets \$1,920 for 3 hours a day, and so does Dr. C. B. Conkin, and so does Dr. R. H. Ford and Dr. J. A. Heitmuller, and so does Dr. H. E. Ong. These men all get \$1,920 for 3 hours a day.

Dr. H. W. Freeman, Dr. W. F. Greaney, and Dr. C. A. Tignor all get \$1,860 each for 3 hours a day.

Dr. H. A. Colvin, Dr. R. L. DeSaussure, Dr. W. E. Lewis, Dr. Thomas Lindville, Dr. Albert Ridgley, Dr. R. A. Thornley all get \$1,800 a year for 3 hours a day.

Dr. H. J. Davis gets \$2,800 for three-sevenths of his time, or 3 hours a day.

Dr. W. T. Anderson, Dr. R. A. Bier, Dr. W. F. Burdick, Dr. E. E. Chickering, Dr. P. L. Cornish, Dr. Herman Eisenberg, Dr. Perry W. Gard, Dr. Clayton H. Hixson, Dr. William G. Meiman, and Dr. Margaret M. Nicholson all get a small salary for 4 hours' work each week.

Mr. ZIONCHECK. A point of order, Mr. Speaker.

The SPEAKER pro tempore (Mr. Cole of Maryland). The gentleman will state it.

Mr. ZIONCHECK. Mr. Speaker, none of these things were referred to in the newspaper article. Why does the gentleman repeat them when they do not come within the question of privilege?

Mr. BLANTON. Mr. Speaker, I am within the rules.

The SPEAKER pro tempore. The Chair thinks the gentleman from Texas is proceeding in order.

Mr. ZIONCHECK. These things were not referred to in the newspaper.

A further point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ZIONCHECK. Why does not the gentleman yield and tell what doctor it was who referred to his remarks as asinine and that the gentleman from Texas wanted to fight right then?

Mr. BLANTON. I am not going to refer to any doctor who plagiarized by using my characterization of the remarks of the gentleman from Washington [Mr. ZIONCHECK]. I will continue naming doctors who are on the District pay roll:

Dr. Aaron Nimetz, Dr. S. P. Porter, Dr. M. T. Rosser, Dr. Mario Scandiffo, Dr. Gerald A. Scully, Dr. Harry A.

Spigel, Dr. Alfred J. Steinberg, Dr. J. E. Trigg, Dr. W. L. Wells all get a small salary for 4 hours weekly.

Dr. W. H. Merrill gets \$3,400 for three-fourths of full time.

Dr. J. A. Rolls gets paid whenever he is called upon for service when required.

The following are on the District pay roll and all get a small salary:

Dr. Daniel T. Birtwell, Dr. Charles M. Bealls, Dr. Robert U. Cooper, Dr. J. Keith Cromer, Dr. John L. DeMayo, Dr. Ira W. Dennison, Dr. John R. Dull, Dr. George J. Ellis, Dr. C. E. Ferguson, Dr. J. F. Finnegan, Dr. Harry A. Spigel, Dr. W. Given Suter all get \$760 each for one-fifth of full time.

Dr. Franklin B. Pedrick, Dr. J. E. Bowman, Dr. M. R. Edmonston, Dr. W. H. Clements, Dr. James M. Loftus, and Dr. C. R. Naples are substitutes and are paid when they are called on for service.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield for a question?

Mr. BLANTON. I will, to a very distinguished doctor, because he is a friend of mine.

Mr. SIROVICH. Does the distinguished gentleman, in reading these names, challenge the efficiency, the competency, and the ability of these men in doing the work that has been assigned to them?

Mr. BLANTON. No; but I am showing why some of them are so interested in having a large sum of public-health money appropriated, and having a mass meeting to force, as they say, Congress to do something that Congress has not even denied yet. They held this mass meeting before we even held a hearing, or began to write the bill. They called this mass meeting before we ever reached that item in the President's Budget, and they say, in this morning's Post, that they have accomplished what they set out to accomplish. Listen, Doctor, you do not believe in this kind of bulldozing. I quote from this morning's Post:

It was virtually assured, however, that the meeting gained at least partially the ends it sought when the writer learned yesterday that the Blanton appropriation subcommittee would approve restoration of many health items which were eliminated by the Budget Bureau.

That is the President's Budget, and they say they have accomplished partially, at least, what they sought to accomplish and forced us to do their bidding.

Mr. HAMLIN. Mr. Speaker, will the gentleman yield for one question?

Mr. BLANTON. I yield.

Mr. HAMLIN. Do I understand that these men and others are paid by the Health Department of the District?

Mr. BLANTON. These men are paid by the District government, and the United States contributes \$5,700,000 annually to District expense. In every department of government here in Washington, almost, we have some doctors employed on whole and part time who are practicing on the outside with big offices and large nursing force and drawing public salaries and practicing privately at the same time.

Mr. HAMLIN. And this only refers to one department?

Mr. BLANTON. This refers only to one department, the District government. We have such doctors in other departments both here in Washington and all over the country. We have several hundred of them connected with the Veterans' Administration. I could practice law if I wanted to, but I have not tried a case or been connected with one for about 2 years, for my official duties now take all of my time.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. RICH. Does not the gentleman think that if the doctors want to get on the pay roll of the Government they should look after their own interests, as everybody else is doing?

Mr. BLANTON. Surely, the gentleman is looking after his own interests, I know, because last year his firm, which has been in business in Woolrich 105 years, broadcast the fact that they had the best business last year they have had in the 105 years of their existence.

Now I do not yield any further. I want to finish giving you the names of the other doctors on the pay roll of the District government, whom I had in mind when I spoke last Sunday at the doctors' mass meeting.

Dr. E. B. B. Brooks, chief physician, \$1,200, for 50 visits per month to wards of the District, and Dr. John F. O'Brien, first assistant, \$600, and Dr. Elizabeth K. Whittemore, second assistant, \$600; Dr. Charles R. L. Halley, visiting physician, \$600, one-seventh time; Dr. E. A. K. Whittemore, visiting physician, \$420, one-seventh time; Dr. Walter K. Angevine, \$3,200, full time; Dr. F. W. Hornbaker, \$3,200, full time; Dr. Frank R. Klune, \$2,600, full time.

Mr. MARCANTONIO. Mr. Speaker, a point of order. The gentleman is reading. It is bad enough to listen to him when he is talking. Under the rules, he cannot read, and I insist on the point of order.

Mr. BLANTON. Mr. Speaker, these are my remarks, and I am referring to my own notes. I can refer to my notes, under the rules. This is just another interruption to obstruct.

Mr. MARCANTONIO. Were those notes prepared by the gentleman himself?

Mr. BLANTON. They were prepared for me, and I am using them as my own notes. I know the rules of the House.

Mr. ZIONCHECK. A point of order, Mr. Speaker. I submit to the Speaker that the gentleman is not speaking on the point of order. These doctors were not referred to in the newspaper article. His question of personal privilege is contained in the newspaper article. What has this to do with the newspaper? He is reading a list of the doctors.

The SPEAKER pro tempore (Mr. COLE of Maryland). The gentleman from Texas has risen to a question of personal privilege, and all this is in justification. The point of order is overruled.

Mr. BLANTON. Oh, they make a lot of noise, but it amounts to little.

Mr. MARCANTONIO. I should consider that remark as a personal reflection, but whether we make a lot of noise or not is nothing compared to the big noise emanating from the gentleman from Texas. [Cries of "Regular order!"]

Mr. BLANTON. My noise amounts to something, and theirs amounts to nothing.

Mr. ZIONCHECK. Mr. Speaker, a point of order. I ask that the words be taken down.

The SPEAKER pro tempore (Mr. COLE of Maryland). The gentleman from Washington [Mr. ZIONCHECK] has requested that the gentleman's words be taken down. The Clerk will report the words.

The Clerk read as follows:

Mr. BLANTON. My noise amounts to something and theirs amounts to nothing.

Mr. ZIONCHECK. Where is the "hooley" he used? It is all "hooley", we know that, but he had the word "hooley" in there. We do not know what that means.

The SPEAKER pro tempore. The Chair does not find any objectionable language in the words reported by the Clerk, and therefore overrules the point of order.

The gentleman from Texas may resume.

Mr. BLANTON. Mr. Speaker, I ask that the Chair protect me from this obstreperousness.

The SPEAKER pro tempore. The Chair is doing his best.

Mr. ZIONCHECK. A point of order, Mr. Speaker.

Mr. BLANTON. These interruptions really help me, because they give me a chance not to proceed too hurriedly.

Mr. ZIONCHECK. A point of order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ZIONCHECK. The remarks of the gentleman from Texas about ability to talk loud and say something is like the steamboat on the Mississippi, a 12-inch boiler and a 6-inch whistle, and every time he whistles the boat stops.

The SPEAKER pro tempore. That is not a point of order.

Mr. BLANTON. I want those words left in, Mr. Speaker. I am going to object to them being taken out. I want the country to know something about this obstreperousness and

where it is coming from. So I object to these two gentlemen taking them out.

Mr. ZIONCHECK. Oh, they will stay in there, all right. Mr. BLANTON. May I ask again that the rules be observed, and that the Members shall not interrupt me when I am speaking, without first getting my permission, Mr. Speaker?

The SPEAKER pro tempore. The Chair will protect the gentleman.

Mr. DIRKSEN. Mr. Speaker, I suggest the absence of a quorum, and in doing so I protest against the wasting of the time of the House when we have business to attend to.

Mr. BLANTON. Now, that is another obstructionist, no. 3, who gave aid and encouragement to the newspapers in getting up the doctors' Sunday mass meeting. And he is wasting the time, for he will waste 30 minutes in taking a roll call.

Mr. HUDDLESTON. Mr. Speaker, the regular order.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. DIRKSEN] makes the point of order that there is not a quorum present. The Chair will count. [After counting.] One hundred and forty-eight Members are present, not a quorum.

Mr. COOPER of Tennessee. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 20]

Andrew, Mass.	Delaney	Keller	Perkins
Andrews, N. Y.	DeRouen	Kennedy, Md.	Pfeifer
Ayers	Dingell	Kerr	Powers
Bacharach	Disney	Kopplemann	Rayburn
Barden	Doughton	Kvale	Reed, N. Y.
Binderup	Doutrich	Lewis, Md.	Romjue
Bolton	Duncan	McClellan	Russell
Brennan	Dunn, Miss.	McGehee	Sabath
Brooks	Eckert	McGroarty	Sadowski
Buchanan	Englebright	McLean	Sandlin
Buckbee	Fish	McLeod	Schneider, Wis.
Buckley, N. Y.	Flannagan	McSwain	Snell
Bulwinkle	Fulmer	Maloney	Steagall
Burch	Gasque	Marshall	Sullivan
Cannon, Wis.	Gassaway	Mason	Summers, Tex.
Chapman	Gearhart	Mead	Taber
Clark, Idaho	Gray, Ind.	Meeks	Taylor, Colo.
Collins	Harlan	Merritt, Conn.	Thomas
Connerly	Harter	Merritt, N. Y.	Treadway
Cooley	Hill, Ala.	Montague	Underwood
Corning	Hoeppel	Montet	Wadsworth
Cravens	Hollister	O'Day	White
Crawford	Hook	Oliver	Wilson, La.
Cummings	Kee	O'Malley	Woodruff

The SPEAKER. Three hundred and thirty-four Members have answered to their names; a quorum is present.

Mr. COOPER of Tennessee. Mr. Speaker, I move to disperse with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I would have concluded long ago if I had not been interrupted. The RECORD will show that under the guise of points of order, which in each instance the Speaker held were not points of order at all, both the gentleman from New York and the gentleman from Washington have sought to obstruct my speech, and then the gentleman from Illinois joined them as a third obstructionist and wasted 30 minutes on a useless roll call. I will try to finish in a short time, without interruption. I will continue naming the doctors here who are on the pay roll of the District of Columbia on salary, either full time or part time, most of whom are doing private practice, and which are additional to the numerous doctors I named preceding the useless roll call.

Dr. J. W. Peabody, \$4,600, full time.

Dr. Alexander C. Leonardo and Dr. Enoch R. Fenton, \$2,600 each, full time.

Dr. Howard Katzman, assistant, at \$2,000, full time.

Dr. Lester Neuman, \$1,260, part time.

Dr. Daniel L. Finucane, \$3,800, full time.

Dr. Leo V. Schneider, \$2,600, full time.

Dr. William Landon Brent, assistant, \$2,000, full time.

Dr. Charles Dugan, \$1 per visit to poor people.

Dr. C. O. Harris, for two-sevenths of full time, \$900.

Dr. Edgar A. Bocock, \$7,500, full time.

Dr. Joseph L. Gilbert, \$5,600, full time.

Dr. H. H. Leffler, \$4,600, full time.

Dr. Isaac Silverman, \$3,200, full time.

Dr. Philip A. E. Stebbing, associate, \$3,200, full time.

Dr. Harold R. Reed, \$3,200, full time.

Dr. Lillian Malone, \$3,200, full time. Dr. William H. McCullagh, \$2,600, full time. Dr. Francis McDonald, \$2,600, full time.

Dr. Edwin McNamara, assistant medical officer, \$2,600, full time. Dr. Edith S. Bloedorn, \$650, one-fourth time. Dr. William Lambert, admitting physician, \$2,000, full time. Then there are 8 senior internes who get \$900 each for full time, and 10 internes who get \$660 for full time, and 24 internes who get \$480 for full time. Then there is Dr. Arthur N. Meloy, who gets \$1,860 for two-sevenths of his time. Dr. James Lewald gets \$5,600 for full time, and Dr. Eugene J. Alexander gets \$3,200 for full time.

When this speech is printed in the RECORD I want every reader of it to add up the numerous doctors I name before the useless, wasteful roll call was had, and the ones I have named since the roll call, and then watch what the papers say about the number. The Washington Star will say that I named about 20. It said there were 1,000 people at Sunday's mass meeting when there were not over 300.

These numerous physicians I have named are on the pay roll of the District of Columbia only, and you will remember that your taxpayers and mine back home contribute \$5,700,000 every year toward the expenses of the District of Columbia.

I have the greatest respect and regard for the medical profession of my country. There is not a doctor in my district, who knows me, who is not my strong personal friend. I have confidence in them and respect for them, and they have confidence in and respect me. I have great respect and high regard for the many splendid, fine physicians in Washington, but there is a system here that I am inveighing against whereby too many doctors get on the pay roll at too big salaries, not giving all their time for the salary, but continuing their private practice; and they are using Government laboratories and paraphernalia and Government facilities sometimes in their private practice.

In addition to these District of Columbia hospitals, I want to tell you that some Washington people also have access to many big Government hospitals, one being St. Elizabeths, accommodating 6,400 patients, and 3,400 of the inmates are from the District of Columbia. Every dollar of the overhead and expense of that great institution is paid for by the Government of the United States.

Mr. ZIONCHECK. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Mr. Speaker, I make a point of order that under the guise of points of order there are obstructionists here who are deliberately obstructing my speech.

Mr. ZIONCHECK. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. The point of order is, why Tom BLANTON did not find all this out 18 years ago. It has been going on right along.

The SPEAKER. The gentleman has not stated a point of order.

Mr. BLANTON. I have stopped many, many abuses in St. Elizabeths and many other Government institutions. The reason I have not stopped them all is because every time I have tried to do it there have been obstructionists get in my way.

Mr. ZIONCHECK. I was not here.

Mr. BLANTON. There have been others here like you, I am sorry to say, in years back.

Mr. ZIONCHECK. But they did pass a good law or two.

Mr. BLANTON. No; they never pass anything worth mentioning. Mr. Speaker, will the Chair have the gentleman from Washington obey the rule laid down by the Chair recently?

The SPEAKER. The gentleman while sitting in his seat will please not interrupt the gentleman from Texas.

Mr. ZIONCHECK. I stood up every time, Mr. Speaker.

The SPEAKER. The gentleman is now violating the rules of the House in not properly addressing the Chair.

Mr. BLANTON. The reason I cannot conclude faster is because I am deliberately obstructed.

Gentlemen, this newspaper fight on me is because I am representing you in keeping these doctors and these newspapers from getting what they want out of your Public Treasury. The American Government was moved all over the country until the United States was forced to acquire the District of Columbia as our seat of government. We acquired it in 1790. We moved here in 1800. We have moved the last time. The next time there is a move it is going to be a move away by the people of Washington who do not like the way Congress runs the District government. If they do not like it they will have to move, because we are not going to move anymore. The Congress is going to control this District of Columbia under the Constitution. Washington newspapers cannot stop it.

IMPORTANT HEARINGS ON DISTRICT APPROPRIATION BILL

I want every Member of Congress, just as soon as our hearings on the District supply bill are printed, to get a copy of the hearings and read them. You are going to find some astonishing evidence in there given by District officials here representing the District government. If you will read those hearings you will see exactly why these newspapers have made a determined fight on me ever since I have been connected with this Committee on Appropriations to get me off of it. I am in their way. I stop their raids. I expose their schemes. I uncover things honest taxpayers want to know. I stop them from chiseling.

Read what Eugene Meyer pays in taxes here on his Washington Post. A short time ago, before he bought it, there was a contract to pay \$3,000,000 for this newspaper.

The Associated Press feature of the paper alone is worth \$50,000 to a morning paper in Washington. When he got it away from the McLeans he had an equity proceeding filed by a paper company before judgment, something unheard of, and against holdings by the Supreme Court. He used a dummy to get the paper away from the McLean heirs for \$825,000 cash, and immediately he incorporated it for \$1,250,000, and he now renders it for tax purposes at about \$300,000. There is the secret of it. I will not let him get away with it. Read the list of the number of automobiles he has there personally that he renders at a mere song; a mere bagatelle is the tax he pays on them.

Read the property list, real and personal, and the great list of automobiles that Theodore Noyes and his Evening Star renders for taxes and see what he pays here in Washington. I have the official figures furnished by the tax assessor. Then you will see why they do not want me on this Appropriation Committee. I am in their way.

Mr. ZIONCHECK. Mr. Speaker, a parliamentary inquiry.

Mr. BLANTON. Another deliberate obstruction, Mr. Speaker.

Mr. ZIONCHECK. Mr. Speaker, I wish to propound a parliamentary inquiry.

Mr. BLANTON. I do not yield for any such inquiry.

Mr. ZIONCHECK. Then I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. ZIONCHECK. The gentleman from Texas has been referred to as the mayor of the District. Why does he let these things go on?

The SPEAKER. That is not a point of order, the Chair may say to the gentleman.

Mr. ZIONCHECK. Then I withdraw the point of order.

Mr. BLANTON. Mr. Speaker, I wish there were some way to protect a Member on the floor, who is speaking, from these silly statements that deliberately are made in the guise of points of order. They delay proceedings.

I would have been able to have concluded my speech long ago if these interruptions had not delayed me in speaking. Returning to my subject, there are many other hos-

pitals here, Mr. Speaker, besides St. Elizabeths maintained by the United States Government. We have here in Washington the Mount Alto Hospital, one of the finest institutions of its kind, paid for entirely by the United States Government. We have the Naval Hospital, one of the finest equipped institutions in the United States, containing every facility for the maintenance of health and paid for entirely by the people of the United States. We have that splendid Walter Reed Hospital, than which there is no finer anywhere, here in Washington. Remember that Washington has grown from a small town to one of the most glorious, beautiful, fine cities in the world, because of the Government being here, because of this big Government pay roll, because the Government has 100,000 employees here, because it has thousands of officers and officials here, because it has numerous naval officers and employees here, because it has numerous Army officers and employees here, because it has numerous Marine Corps officers and employees here, because it has numerous Coast Guard officers and employees here. It has grown to a magnificent city. And thousands of Washington people are treated in these Government hospitals.

You have no idea of the load that these Government hospitals take off the city of Washington in connection with hospital service. There are thousands of people, I repeat, living here who are treated in these various hospitals which I have mentioned, which are controlled by the United States Government and paid for by the United States Government.

Take the tuberculosis situation. These Washington newspapers have deliberately poisoned the minds of the people of Washington and have made the people believe that Congress is not alive to the tuberculosis situation and that your President is not sympathetic to the tuberculosis situation. The statement is made in the press that there are not enough beds here, but here is the actual count, taken from the evidence of such men as Elwood Street, head of the welfare here, and the representative of the people of Washington. The heads of these hospitals also testified to these facts last Saturday. And Dr. A. B. Coulter, Director of the Tubercular Bureau of the Health Department, told me today that these figures are correct.

At the Children's Hospital there are 117 hospitalized and three vacancies. Elwood Street said these three vacancies are waiting for some children to come in. At the Upshur Street Hospital there are 227 hospitalized. At Gallinger there are 146 hospitalized. Elwood Street also testified there were but 30 on the waiting list. Elwood Street assured our committee there were only 30 on the waiting list. This makes a total hospitalized and on the waiting list of 520. When this splendid new Glendale Tuberculosis Hospital opens on January 1 there will be available 946 beds for tuberculosis patients, not counting Upshur Street. Including Upshur Street, if we continue it, there will be 1,171 beds, or over twice as many as are being hospitalized and on the waiting list right now.

Why do not the newspapers be fair enough and tell the people the truth? Here is the trouble: A new doctor comes here and takes charge of the Health Department, and as soon as he comes here he immediately becomes a disturbing factor. Instead of attending to the public-health work, he runs to the newspapers and has them play up on the front page his demands for cash and has the newspapers take a picture of the laboratories, paraphernalia, and other facilities. Just look at the papers of a week ago. You will find a picture of his laboratory. He has been demanding money from the Congress through the newspapers ever since he arrived, but has not come to us. He is trying to force us to give him great, big sums, which the President in his Budget states are not needed. If he would have cooperated with us, he would have received twice as much as he did. He can get anything that is needed for health service if he comes to Congress.

Do you know why the doctors are raising this hullabaloo? One reason is they want a great big sum of money for a great big laboratory and for large facilities so that they can draw salaries from the people of Washington and at the

same time use these laboratory facilities in connection with their private practice. The President of the United States is not going to allow it, and your committee is not going to allow or permit it.

They are asking the people of Washington to petition you to take me off the Appropriations Committee. They cannot take me off this committee. The only power that can take me off of that committee is this Congress. This Congress does not take orders from them. Whenever the Congress gets ready for me to get off the Appropriations Committee, I will get off. But Washington newspapers cannot put me off. I am doing hard work for you that you would not want to do for yourselves. The Members of my committee are doing hard, laborious work.

I am going to insert a letter in the RECORD in connection with my speech this afternoon which will show the number of people we heard last Saturday. We held a session last Saturday afternoon from 2 o'clock to 6:45. We worked the whole of Saturday afternoon and heard many people, representatives of citizens' associations and others, yet the Washington newspapers on Sunday said we devoted the whole afternoon session to hearing two people on the "red" issue. Here is my letter to the Post:

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 16, 1936.

WASHINGTON POST.

DEAR EDITOR: In justice to our committee, won't you please be fair enough to correct the erroneous impression given to Washingtonians Sunday morning by such headlines "Budget appeals delayed again by 'red' rider" and "Civic leaders summoned by committee wait on law's discussion", intimating that our committee allowed Judge George Sullivan and Gen. Amos Fries to consume the time of the afternoon session. Such was not the case.

Although pressed for time and urgent demands from our districts congesting our offices, our committee have canceled many of their own engagements, have made many personal sacrifices, and have held a night session in order to patiently hear all District officials and interests of Washington.

On Friday and in Saturday morning sessions we heard all officials who are connected with public health in Washington, hearing Director Elwood Street and his many officials of public welfare for more than 2 hours Saturday, and in a letter just received Elwood Street says: "I appreciated the courteous and sympathetic consideration which was given to the budgets of our institutions and agencies."

We invited no one to the afternoon session. To give all organizations in Washington a chance to be heard and to meet their convenience, our committee inconvenienced itself by holding an afternoon session Saturday, which lasted from 2 to 6:45 p. m., a general press notice of same being given.

At Saturday's afternoon session we heard Mrs. Ernest Howard, of the District Federation of Women's Clubs; Mrs. Chapin, of the Federation of University Women; Evan H. Tucker, who for 30 years has been president of Southeast Citizens Association; Harry S. Wender, of the Southwest Citizens Association; John Proctor and John Herrity, of the Elevator Constructors' Union; Charles I. Stengle and an associate, of the American Federation of Government Employees; Judge Crandall Mackey, accompanied by Maj. George Oakley Totten, Jr., Dr. Lewellyn Jordan, and George Shinn, bridge committee of the board of trade; Harry N. Stull, vice president of the Federation of Citizens' Associations; and numerous others, before we heard George E. Sullivan as chairman of a special committee of the Federation of Citizens' Associations; and Gen. Amos Fries, of the American Legion of the District of Columbia. We also heard Representative HOWARD W. SMITH, of Virginia, and Roy Braden on bridge matters. Wasn't that a pretty good Saturday afternoon's work? We advised all other interested persons that we would patiently hear them Monday.

Relative to tuberculosis the evidence disclosed that at Gallinger we now have 146 patients; in the Children's Sanatorium, 117 patients with three beds now vacant awaiting patients; and in the Upshur Street hospital 227 patients, with only 30 now on waiting lists, making a total list of patients already hospitalized and now qualified to be admitted, 520. While next January 1, with new beds provided at Gallinger, the new children's wing and Glen Dale, we will have available beds for tuberculosis: Gallinger 250, Children's Sanatorium 300, Glen Dale 396, totaling 946 available beds, exclusive of Upshur Street which is continued with its 227 beds, would be a grand total of 1,171 available beds for tuberculosis, more than twice the number now hospitalized and on waiting lists. The Washington people have the right to know these facts.

THOMAS L. BLANTON.

At our hearing Monday morning representatives of citizens' associations, the presidents of these associations, and others said they had not attended this Sunday mass meeting. They were not enough interested to go to the mass meeting. They were like Colonel Yaden. They did not believe in thus trying to bulldoze Congress.

Mr. Speaker, the best people of Washington do not want to hamstring Congress. The best people of Washington do not want to bulldoze Congress. The best people of Washington do not want to run over Congress. This is all brought about because of a bunch of greedy newspapers.

It will be remembered that last year these same Washington newspapers through a similar fight influenced a committee to file charges against your splendid United States attorney here, Leslie Garnett, and your superintendent of police, Major Brown, and against Inspector Albert J. Headley, trying to keep the latter from being promoted. But neither the newspapers nor the committee had any effect. They accomplished nothing but chagrin and disappointment. Inspector Headley was promoted to assistant superintendent of the Metropolitan Police Department. Major Brown is still the honored and efficient superintendent of police here, and your United States attorney has his dockets cleared and the law enforced in the District of Columbia. He has cleaned up your docket, and is one of the finest officials you have in the United States Government.

You will remember that last year the Washington newspapers tried to incite the Washington people to march on the Capitol, in an attempt to get me off of the Appropriations Committee. They named Arthur Clarendon Smith as their leader. It ended in a complete fizzle. And when I spoke here over the radio last August one of the first congratulatory telegrams I received was signed "Arthur Clarendon Smith."

You newspapers, I want you to know that you cannot run me out of Congress, and you cannot run me off of this Appropriations Committee. I am going to be here attending to business when Eugene Meyer is gone and forgotten.

Mr. MARCANTONIO. Mr. Speaker, I rise to a point of order. The gentleman is addressing people in the gallery, and I submit that is not in order.

The SPEAKER. The gentleman will address his remarks to the House.

Mr. BLANTON. I want my wild friend from New York [Mr. MARCANTONIO] to know that no newspaper in Washington can run me out of Congress. I want him to get this. I believe my loyal constituents will see to it that I will be here a long time after Eugene Meyer and his Post have quit doing business, because people are withdrawing their support from the Post, and Eugene Meyer's Post is losing business. I am not going to give up the ship but will carry on. He can leave whenever he gets ready. I thank you. [Applause.]

AGRICULTURAL RELIEF

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution (H. Res. 419, Rept. No. 2020) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3780, an act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes. That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider as a substitute amendment for the Senate bill S. 3780 without the intervention of any point of order the provisions of H. R. 10835. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, without amendment, a joint resolution of the House of the following title:

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Public Res. No. 67, 74th Cong.), approved August 31, 1935.

ORDER OF BUSINESS

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from Texas [Mr. McFARLANE] for 15 minutes.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman from Texas yield for a unanimous-consent request?

Mr. McFARLANE. I yield for a unanimous-consent request.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal, I may be allowed to have 10 minutes, and if I am granted permission, I want to take up at that time a question that is known as the privileges of the House.

Mr. EAGLE. Mr. Speaker, I object.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. The gentleman from Washington asks unanimous consent—

Mr. ZIONCHECK. Mr. Speaker, let me state my request before the objection comes. I want to state the request and then let them object.

Mr. MARTIN of Massachusetts. Regular order, Mr. Speaker.

The SPEAKER. The Chair will put the request.

Mr. ZIONCHECK. The Chair has not my complete request, so it cannot be put.

The SPEAKER. The gentleman will state his request.

Mr. ZIONCHECK. The gentleman from New York [Mr. TABER] is away today. He will be here tomorrow, and in the event I have this time I want to talk about a matter—

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order the gentleman is making a speech without stating any request.

The SPEAKER. The gentleman from Washington will state his request.

Mr. ZIONCHECK. Then, Mr. Speaker, I ask unanimous consent that tomorrow, after the reading of the Journal, I be allowed to proceed for 10 minutes.

The SPEAKER. The gentleman from Washington asks unanimous consent that on tomorrow, after the reading of the Journal and the disposition of matters on the Speaker's table, and at the conclusion of the pending special order, he may be permitted to address the House for 10 minutes. Is there objection?

Mr. EAGLE. Mr. Speaker, I object.

Mr. ZIONCHECK. Then, Mr. Speaker, I announce at this time that I am going to ask that this matter be brought up as a question of privilege, and I will have the proper resolution prepared.

The SPEAKER. Under the special order of the House, the gentleman from Texas is recognized for 15 minutes.

WHY WE SHOULD LIMIT THE PROFITS OF THE WAR-MATERIAL MANUFACTURERS

Mr. McFARLANE. Mr. Speaker, I hope the House will give me its attention for just a little while. I want to speak to you at this time in regard to a couple of newspaper articles appearing in the Post and Herald of Sunday. It seems like we are not only cleaning the Irish linen today but some of the newspaper linen as well. Before proceeding, however, let me say that I was the first Member from Texas last Congress as well as this Congress to sign the discharge petition for the Frazier-Lemke farm refinance petition to bring this bill before Congress. I favor this legislation, believing that land is the best collateral and that the farmer is entitled to the same fair consideration as the banker. Whether you are for or against this legislation you should allow us to vote upon it.

In Sunday's papers, both the Herald and the Post, there is a United Press article in the Post entitled "Bill Joker Hits

United States Air Defense", and the other in the Herald is headed "Army Bill May Kill Plans for 565 Planes for the Government", with subheading leaders to seek removal of House proviso limiting profits to 10 percent.

THE 10-PERCENT PROFITS AMENDMENT

These articles are written in regard to an amendment I offered that was adopted on Friday to the War Department appropriation bill. This amendment you will find on page 2108 of the RECORD and reads as follows:

SEC. 4. That as to contracts or subcontracts in excess of \$10,000 no appropriation contained in this act shall be available for the payment of a profit in excess of 10 percent to any contractor or subcontractor for the construction and/or manufacture of any complete aircraft or ordnance material, or any portion thereof.

In my remarks you will find the statement I made at the time, and you gentlemen will recall that this amendment was read twice and thoroughly understood, with most of the membership of the House being present.

Both of these newspaper articles contain this statement:

The amendment was offered by Representative McFARLANE, who briefly informed the House that a similar provision was carried in last year's naval supply bill. This was erroneous, it was later found.

In answer to these statements, Mr. Speaker, I want to read you the statement I made at the time, and you gentlemen will recall that it was made:

Mr. Chairman, I do not care to detain the Committee, but I just want to make the statement that the substance of this amendment is the same as the provision that now applies to the Navy in legislation enacted by the last Congress, and I see no reason why it should not be adopted unanimously, and I hope the Committee will approve the amendment—

And so forth.

THESE NEWSPAPERS WRONG, AS USUAL

This is the statement I made at the time. Both of these newspapers have always advocated reckless expenditure of money for certain industries, as is well known to themselves, and with this kind of article, for reasons best known to themselves, they are trying to lead the Members of the House to believe that some kind of fraud or joker amendment was put over on the membership in the adoption of this amendment.

CHAIRMAN PROTESTS NEWSPAPER STATEMENTS

The chairman of the subcommittee on War Department appropriations, Mr. PARKS, was thoroughly acquainted with the amendment before it was offered because I talked with him about it. He favored it. I understand Mr. PARKS, upon reading the article in the Post, gave them a statement in writing contradicting this article and stating clearly his position in favor of this amendment. The Post so far has failed to publish his reply.

The membership of the House thoroughly understood it. It is not a new question. Let me give you the history of this kind of legislation. It is not new legislation before Congress.

HISTORY OF EXCESS-PROFITS TAXES

Back in the war period of 1918 and 1919 there was a much more stringent provision written into the law at that time. You will find it in section 301 of the income-tax law, the excess-profits tax amendment, which was put into the law at that time. It was a much more stringent amendment than the amendment in the Vinson Act offered in 1934 by the gentleman from New Hampshire, Mr. TOBEY.

The war-profits and excess-profits tax amendment under section 301 of the revenue law provides:

(c) For the taxable year 1919 and each taxable year thereafter there shall be levied, collected, and paid upon the net income of every corporation which derives in such year a net income of more than \$10,000 from any Government contract or contracts made between April 6, 1917, and November 11, 1918, both dates inclusive, a tax equal to the sum of the following:

(1) Such a portion of a tax computed at the rates specified in subdivision (a) as the part of the net income attributable to such Government contract or contracts bears to the entire net income. In computing such tax, the excess-profits credit and the war-profits credit applicable to the taxable year shall be used;

And section A provides:

PART II. IMPOSITION OF TAX

SEC. 301. (a) That in lieu of the tax imposed by title II of the Revenue Act of 1917, but in addition to the other taxes imposed by this act, there shall be levied, collected, and paid for the taxable year 1918 upon the net income of every corporation a tax equal to the sum of the following:

FIRST BRACKET

Thirty percent of the amount of the net income in excess of the excess-profits credit (determined under sec. 312) and not in excess of 20 percent of the invested capital.

SECOND BRACKET

Sixty-five percent of the amount of the net income in excess of 20 percent of the invested capital.

THIRD BRACKET

The sum, if any, by which 80 percent of the amount of the net income in excess of the war-profits credit (determined under sec. 311) exceeds the amount of the tax computed under the first and second brackets.

The above-quoted war-profits and excess-profits tax amendment was taken out in the 1921 Revenue Act. The next effort Congress made to tax the excess profits being made from Government contracts by the promoters of war was the amendment offered by Mr. TOBEY, of New Hampshire, which amendment reads as follows:

Provided, however, That no such appropriation shall be used for any contract with steel or aircraft or shipbuilding firms or corporations unless the said firm or corporation shall agree to limit its net profit on such Government contract to 10 percent of the gross of the contract.

The chairman of the House Naval Affairs Committee [Mr. VINSON of Georgia] raised the point of order that the amendment was not germane to the bill (H. R. 6604). The point of order was overruled and after general debate on the amendment the chairman of the Naval Affairs Committee stated on the floor, "I will accept the amendment" (p. 1630, 73d Cong., 2d sess.).

The bill authorizing ship and aircraft construction to bring the Navy to treaty strength passed the Senate and became a law March 27, 1934. The chairman of the House Naval Affairs Committee on February 14, 1935, introduced H. R. 5730 which, as amended, changed section 3 (b) of H. R. 6604 enacted the previous year to read as follows:

SEC. 3. (b) To pay into the Treasury profit, as hereinafter provided shall be determined by the Treasury Department, in excess of 10 percent of the total contract prices of such contracts within the scope of this section as are completed by the particular contracting party within the income taxable year, such amount to become the property of the United States, but the surety under such contracts shall not be liable for the payment of such excess profit: *Provided,* That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income taxable year: *Provided further,* That if such amount is not voluntarily paid the Secretary of the Treasury shall collect the same under the usual methods employed under the internal-revenue laws to collect Federal income taxes: *Provided further,* That all provisions of law (including penalties) applicable with respect to the taxes imposed by title I of the Revenue Act of 1934, and not inconsistent with this section, shall be applicable with respect to the assessment, collection, or payment of excess profits to the Treasury as provided by this section, and to refunds by the Treasury of overpayments of excess profits into the Treasury: *And provided further,* That this section shall not apply to contractors or subcontractors for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy, and the Secretary of the Navy shall report annually to the Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof.

You will note from reading the above amendment that it had for its purpose to seriously amend or change the 10-percent excess-profits tax limitation before it had been in effect a year, and before we had any definite information as to what effect it would have on those affected or what revenues would be derived therefrom.

The House Naval Affairs Committee after hearing representatives from the Navy and Treasury Departments and a few of the representatives of the interests affected by the 10-percent-profits limitation, reported the bill favorably to the House on June 11 and it was taken up and considered on

June 12, the time on both sides of the isle being controlled by those favoring the bill, and a large part of the time being allotted to those favoring the bill. In spite of these handicaps the record shows that on a motion to strike out the enacting clause of this bill the vote was 56 to 71 or a change of 8 votes would have defeated the bill. We gave them such a battle on this measure that for some reason the measure has not been called up and considered in the Senate. You will note from reading the above amendment to the 10-percent profits limitation, some of the jokers therein contained, for example the following provision:

Provided, That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income-taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income-taxable year.

You will note that the taxpayer is allowed to deduct any net losses suffered during the taxable year on any profits made the following year which is not allowed any other taxpayer under existing law. And further, this loosely drawn provision provides:

And provided further, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication, target detection, navigation, and fire control as may be so designated by the Secretary of the Navy.

This, you will note, allows the Secretary of the Navy to define and determine what constitutes scientific equipment for the above-mentioned equipment which you will note may include almost everything the Navy will purchase under the ship or aircraft construction program.

THE ADMINISTRATION OF THE LAW

This raises a very interesting question of the kind and character of administration our different departments of Government, particularly the War, Navy, and Treasury Departments, have followed in the administration of laws enacted by the Congress.

You will remember that in the last Congress the House Military and Naval Affairs Subcommittees were appointed to investigate the method the Army and Navy had used in the purchase of aircraft equipment since the enactment of the Aircraft Act of 1926. The majority of the Naval Affairs Subcommittee completed their hearings March 8, 1934, and filed their report soon thereafter completely approving and exonerating the system of aircraft procurement. You will recall that I filed a minority report contrary to the other 10 members of this committee and pointed out specifically why I could not agree with the majority report under the evidence submitted and known. In my minority report I pointed out and clearly showed by charts the interlocking hook-up clearly comprising the known existing Air Trust controlling the aviation industry of the Nation. The exorbitant prices they have charged the Government for aircraft equipment—I included in the report the records from the Comptroller's Department showing that 92 percent of all aircraft equipment from the Army and 91.3 percent of the aircraft equipment purchased by the Navy since the Aircraft Act of 1926 up to that time had been purchased in violation of the Aircraft Act of 1926, and that the Judge Advocate General's Department of both the Army and Navy had continuously held that such act required open competition in aircraft procurement.

I included comparative tables with my report, comparing every war-plane engine in the world and giving its latest known performance, which chart clearly showed the inferiority of our planes and their performance with that of several of the European nations. These charts were carefully checked by Dr. A. F. Zahm, Chief of the Division of Aeronautics of the Congressional Library. He has at his disposal more than 20,000 volumes on aeronautics, which is the largest library of its kind in the world. His report shows my comparative tables substantially correct. No one in Congress has attempted to refute these tables to date. On information I have, I am convinced that we have not kept pace with the other great powers in our aircraft development since the comparative tables were published in April 1934. Practically all aircraft competitive records are held by foreigners.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. McFARLANE. I am sorry, I cannot yield.

The House Military Affairs Subcommittee investigating aircraft procurement of the Army, several months after our Naval Affairs Subcommittee filed their report, brought forward and filed their report, unanimously agreeing that the procurement methods of the Army had not been administered in keeping with the law—that there had been little competition in the procurement of their aircraft and they rather severely criticized and condemned the War Department procurement methods.

Mr. ROGERS of New Hampshire, chairman of this investigating committee, as well as his entire subcommittee are to be congratulated upon the splendid work accomplished. Since our exposures have been made of the lack of the Army and Navy Procurement Divisions in following the provisions of the law, they have agreed that they will require competition in the future as provided in the law.

I offered the above amendment limiting War Department profits on aircraft and ordnance to 10 percent, and Mr. McSWAIN, chairman of the House Military Affairs Committee, states:

It will be necessary to change the amendment, at least so far as small orders are concerned, for aircraft. Otherwise no company would care to bid, in my opinion. On large orders, of course, a company could figure costs definitely enough to come within such a restriction.

Regarding my amendment, Mr. VINSON, chairman of the Naval Affairs Committee, declared:

Especially on such things as scientific instruments there would be no profits limitation. Moreover, we revised the amendment in my bill to provide for a spread, so that a contractor would be limited to 10-percent profit over a 2-year period.

The Army and Navy experts are quoted in the press as denying that my amendment would save the Government from 10 to 15 percent on their purchases.

WE NEED LAW ENFORCEMENT

Since carefully investigating the methods of administration in these departments, I am about convinced that, unless we can get a reasonable enforcement of the law as it is written, we cannot expect any material savings to the Government from this amendment.

Hardly had we placed the 10-percent limitation on all naval ship and aircraft procurement, until these groups selling the Navy this equipment, we find they began holding meetings together to decide what would be the best methods of getting this 10-percent-profit limitation. We find the New York Shipbuilding Co., the Newport News Shipbuilding Co., and Bethlehem Shipbuilding Corporation, Ltd., and United Dry Docks, together with the scientific-instrument group composed of Mr. Gillmor, their president, of Sperry Gyroscope, Babcock & Wilcox, Worthington Pump & Machinery, Westinghouse Electric, General Electric, Electric Boat Co., and many other such concerns too numerous to mention, all meeting at 11 Broadway, New York, to devise ways and means of defeating this 10-percent-profit limitation.

In the words of Mr. Bordo:

If the shipbuilders, boiler manufacturers, electric manufacturers, act in accordance with uniform rules, it will be so strong that I think the income tax bureau would have a hard time resisting it; that they could not break it down. You have two established recognized systems of accounting in the two principal groups with which we do all of our business. We should get our accounting offices together * * * I think we should get the shipbuilders together first on a uniform plan.

Mr. Gillmor, president of Sperry Gyroscope Co., said:

I think the only thing to do is to act in unison.

Evidently they did and they have so acted since the 10-percent excess-profits limitation was placed in the ship and aircraft construction act on March 27, 1934, for I find according to the Internal Revenue Report of 1935, page 46, that there has been collected under this Vinson Act for the fiscal year ending June 30, 1935, the total sum of \$10,484.58. I

find under the P. W. A. allocations to the War and Navy Departments, 1933 to 1936, the following allocations made:

Public Works Administration—Allocations to the War and Navy Departments, 1933-36

[Accounts and deposits, Feb. 18, 1936]

	Fiscal year 1933	Fiscal year 1934	Fiscal year 1935	Fiscal year 1936	Total
War:					
Air Corps (airplanes)		\$7,500,000			\$7,500,000.00
Seacoast defenses		6,994,000			6,994,000.00
Ordnance:					
Watertown Arsenal			\$89,000		89,000.00
Rock Island Arsenal			370,000		370,000.00
Ammunition		6,000,000			6,000,000.00
Equipment			2,309,491		2,309,491.00
Motorization		10,000,000			10,000,000.00
Subtotal		30,494,000	2,768,491		33,262,491.00
Navy:					
Aeronautics		7,500,000			7,500,000.00
Ordnance		330,225		-3,046.50	327,178.50
Yards and docks:					
Physical improvements		25,150,537	331,535	275,000.00	25,757,072.00
Vessels ¹	\$238,000,000				238,000,000.00
Subtotal	238,000,000	32,980,762	331,535	271,953.50	271,584,250.50
Grand total	238,000,000	63,474,762	3,100,026	271,953.50	304,846,741.50

¹ Statutory allotment.

I find that the War Department appropriations bill to which I offered the 10-percent amendment makes the following appropriations for aircraft, ordnance, and so forth, available for the next 2 years:

	1936 availability	1937 estimates
Air Corps:		
Direct appropriation	\$16,138,000	\$31,269,772
Contract authorization	7,686,753	8,000,000
Signal Corps: Radio equipment	2,226,000	2,237,780
Ordnance Department: Armament	1,723,730	680,850
National Guard	883,344	2,568,250
Organized Reserves	843,695	783,525
Total	29,501,522	45,540,177
Increase		29,501,522
		16,038,655

Larger expenditures were made for the 2 preceding years for each the Army and the Navy.

Thus we find that under this administration there has been appropriated and allocated over \$500,000,000 for ship, aircraft, and ordnance supplies and accessories, with 10-percent excess-profits limitation applying to all ship and aircraft construction in the Navy since March 1934, with practically no excess-profits returns filed.

Now, what is the position involved? It is for these companies to see how they can get from under this 10-percent limitation that I have offered and the House has unanimously approved to place the War Department on the same basis as the Navy on their profits limitations.

Since all of these concerns have had their meetings at no. 11 Broadway, New York, and have gotten together and had their uniform agreements as to how they will keep their books and figure their overhead expenses they apparently have been very successful in getting by the Navy Procurement Department.

For example, we find last February 21, before the Senate Munitions Investigation Committee, the following colloquy:

Senator VANDENBERG. Captain, how can you administer the 10-percent profit limitation which is now in the law, unless you have accurate information respecting the cost items, for proving anything before the 10-percent profit is attached?

Captain DuBOSE. The Navy Department will make no attempt whatsoever to ascertain or determine anything in connection with this 10-percent profit. It is incorporated in the contracts, but it is a matter between the shipbuilder, the contractor, and the Bureau of Internal Revenue of the Treasury Department.

Further, we find:

Mr. BLEWETT. We at this time charge more overhead to our naval work than we do to our merchant work.

Mr. RAUSHENBUSH. Yes; I notice that.

Mr. BLEWETT. We charge as overhead on that about 15 percent more to our Navy work than we do to our merchant work.

In other words, what seems to have happened is this: After the ship contractors, the scientific instrument contractors, and the aircraft concerns felt that they could not get H. R. 5730 through the Senate, nullifying the 10-percent-profits clause, they organized and it seems have been able to get a sufficient amount of deductions approved by the Navy Department to get by the Treasury Department without paying any excess-profits tax.

Mr. KENNEY. Will the gentleman yield?

Mr. McFARLANE. I am sorry; I do not have time.

RICH GET RICHER, POOR GET POORER

Mr. Speaker, I have repeatedly called to the attention of the Congress, as shown by every recent recognized economic survey that the rich are continuing to get richer and the poor are becoming poorer all the while. The latest information we now have on this subject shows that about 4 percent of the people own about 90 percent of the wealth. Included in this group are the ship, aircraft, and scientific-instrument people that we have tried to cover under these 10-percent excess-profits tax limitations. It seems that every time we try to enact legislation to do justice to the rich as well as the poor and eventually are able to enact such a law that the rich escape through weak administration of the law.

It may interest you to know that while the rich have been able to escape their just portion of the tax payment, as we have found through reading our daily newspapers, our system of taxation the past few years has suffered a great change in the amounts that have been collected from those who have and those who have not.

I insert at this point a table of the revenues received by the Federal Government the past 6 years:

Year	Income estate, gift, inheritance, and capital-stock taxes	All other taxes	Total taxes collected
1930.....	\$2,475,028,855.32	\$565,116,877.55	\$3,040,145,133.17
1931.....	1,908,118,824.28	520,109,929.94	2,428,228,754.22
1932.....	1,104,179,010.54	453,550,032.10	1,557,729,042.64
1933.....	781,101,127.96	838,738,096.34	1,619,839,224.30
1934.....	1,054,191,786.48	1,618,047,408.04	2,672,239,194.52
1935.....	1,410,373,425.59	1,889,062,146.79	3,299,435,572.18

The first section are those taxes received, based on ability to pay; the next section includes excise, sales, and miscellaneous taxes.

You will notice from the above table that in 1930 over 80 percent of our revenues were received from taxes based on ability to pay, while 18 percent were based upon consumption taxes. This table has gradually changed until last year we collected 42.8 of our taxes from incomes while we collected 57.2 percent from consumption or excise taxes. While the rich are able to escape their just tax burden all the while we find the "tax gatherer" is placing a heavier hand upon those less able to pay.

Does anyone believe that these large ship, aircraft, and other contractors have manufactured their products the past 3 years without any profit to themselves? We find upon glancing through the market reports daily that practically each and every one of the concerns selling the Government equipment—their stocks have hit new highs daily and their stock continues to rise. Each time the Government makes an appropriation for additional ship, aircraft, or ordnance constructions we find these concerns' stocks rising, based on the known profits that they will make with the Government through their crooked system of bookkeeping, realizing no additional taxes from them under these tax limitations. Before the 10-percent Naval Limitations Act

was passed, we find these ship contractors making the following profit:

		Percent
Cruiser <i>Augusta</i> (Newport).....	\$2,800,945	35
Cruiser <i>Houston</i> (Newport).....	2,800,945	35
Cruiser <i>Chester</i> (New York Ship).....	2,946,706	36.9
Cruiser <i>Northampton</i> (Bethlehem).....	2,200,000	25.4
Cruiser <i>Indianapolis</i> (New York Ship).....	3,007,049	33.4
Cruiser <i>Portland</i> (Bethlehem).....	2,058,796	21.8
Aircraft carrier <i>Ranger</i> (Newport News).....	3,050,000	23.1

Certainly these profits were not discontinued when the 10-percent limitation profits tax was enacted.

What is wrong? It is in the administration of the law. Whose fault is it? Are we going to admit that the bureaucrats in these two departments are so powerful that they can disregard the laws which this Congress enacts? Do we not have enough intelligence in this Congress to enact a law that cannot be evaded? Can our tax committees not write regulations that will keep these shipbuilding, aircraft, and other concerns who are making millions of dollars in profits from evading the law entirely?

The testimony before the Munitions Committee gives a rather serious indictment to our ability along that line. What does it show? Page after page of the testimony in that hearing goes into the matter and thoroughly demonstrates how they have evaded the law; what systems of bookkeeping they have set up to intentionally evade the law, yet these newspaper articles come in here, representing these merchants who have everlastingly and eternally sold the country short. They are more interested in merchandising, in selling the Government equipment, than they are in seeing to it that the Government collects its just part of the tax from them for the business they do.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. For a question.

Mr. KENNEY. Will the gentleman tell us what companies make airplanes for the Government?

Mr. McFARLANE. I do not have all that information with me but I shall be glad to insert it in the RECORD. The companies are the Glen L. Martin Co., Curtiss-Wright Airplane Co., Douglas Aircraft Co., Grumman Aircraft Co., Consolidated Aircraft Co., Chance-Vought Co., Curtiss Airplane & Motor Co., and Boeing Airplane Co. are the principal ones; less than half a dozen make over 90 percent of the aircraft. There are only two engine concerns in the United States which sell practically all the engines to the War Department and Navy Department.

Mr. KENNEY. A very limited number.

Mr. McFARLANE. A very limited number. You can count them on one hand. One of those concerns, the Pratt-Whitney, is nothing more than an assembly plant.

Mr. KENNEY. Yet there are aircraft manufacturing companies starving but cannot get a contract from the Government.

Mr. McFARLANE. It is very interesting. We have Navy men parading around, as we had recently on the coast, guarding an experimental model of an engine in existence out there while stock is being sold by this concern. We have Navy men guarding the engine, I am told, and this concern out selling stock based upon future business they expect to get from the Navy. Now, it is very interesting to me to note what is going on, and I think this Congress ought carefully to investigate it and go to the bottom of it and find out why it is they cannot pass a law and get it administered down here in these departments and stop what I consider these unconscionable, unfair, and unjust profits that are going to these big manufacturing concerns.

National defense! I believe I am as much interested in national defense as any man on this floor. I would like to

see our boys when they go up in the air fly the best ship that goes in the air; but, Mr. Speaker, until we can get honest competition, until we can step up progressively our procurement system and force honest competition, we are going to continue to buy the old commercial engines, commercial ships, in effect, practically the same equipment these big bankers who own the aircraft industry sell to the commercial lines of this country.

These ships do not have the performance of those ships of comparable size of other countries. I put charts showing the facts in the RECORD, pages 100034-100064. The record of 1934, I think, will bear out the statement on a comparative basis that today in the air our position is relatively weaker, when compared to that of other nations, than it was when those charts were inserted in the RECORD. In other words, some of the other nations have made more progress in the air the past 2 years than have we.

I wish I had time to go into this situation and to point out to you the information I have available here showing just how far our procurement system has lagged behind those of other countries, instead of being as indicated in the propaganda which appeared from time to time in these newspaper articles. It is not the fault of the 10-percent limitation placed upon these profiteers. I have shown you from the records where this 10-percent limitation has been evaded almost entirely.

Every veterans' organization of this country since the World War has gone on record almost unanimously without exception year after year passing resolutions urging us to take the profits out of war. We are now in the midst of the greatest economic war ever confronting us. We must fight out of it. Most of the Members of this Congress are familiar with these resolutions presented to us yearly urging us to stop this racketeering that puts property rights above human rights and human lives. Yet we go on year after year, and what do we do about it? We eventually passed the 10-percent limitation in 1934, which limits their excess profits to 10 percent on naval procurement, and the law is evaded. Then an amendment was placed on the War Department appropriation bill limiting the War Department to the same limitation that has been practiced in the Navy Department for 2 years, and the war profiteers' lobby open their attack to nullify or defeat same in any way possible.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. We put the same limitation on the War Department bill, in substance, that was in effect in the Navy Department. The chairmen of the House Military and Naval Affairs Committees say the limitation must be materially amended. Yes; the chairman of my committee—good man, I like him, but just do not agree with his policies on naval affairs in certain instances—says that limitation must be materially amended. The bill, H. R. 5730, got through this House by the skin of its teeth, but has not even been called up in the Senate. No doubt the corporations affected under the 10-percent naval limitation long ago decided further prosecution of this measure was unnecessary.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes; I yield.

Mr. VINSON of Georgia. The gentleman knows the 10-percent limitation merely applied to scientific instruments.

Mr. McFARLANE. The gentleman's bill?

Mr. VINSON of Georgia. The one the House passed during the last session of Congress by a vote of 250 to 120.

Mr. McFARLANE. The gentleman is in error. The vote to strike out the enacting clause was 56 to 71, and on the motion to recommit was 130 to 208. No; it goes further than that. The provisions of your bill, as above shown, give the

Secretary of the Navy and the taxpayer, if any, very wide powers.

Mr. VINSON of Georgia. Let me make this statement. The gentleman said a moment ago that aviation in this country in the Navy was not up to what it had been.

Mr. McFARLANE. No; I say we have not made the progress other countries have made since 1934, when those charts were placed in the RECORD.

Mr. VINSON of Georgia. And that was the very reason Congress modified the Tobey amendment, because in the case of scientific instruments necessary to the development of aviation they must be excluded from the 10-percent provision.

Mr. McFARLANE. May I say, in answer to the gentleman, that Congress has not amended or changed the Tobey amendment. The effort was made, but it was not amended.

Mr. VINSON of Georgia. As far as the House is concerned, that is true.

Mr. McFARLANE. The Senate has not taken it up and considered the matter, and I predict they will never pass this bill, practically nullifying the 10-percent excess-profits tax limitation.

I have pointed out above how the tax burden has been shifted largely from the rich to the poor.

The Democratic platform of 1932 on the question of taxation states the following:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates, within revenues raised by a system of taxation levied on the principle of ability to pay.

Note the words of this promise—"revenues raised by a system of taxation levied on the principle of ability to pay."

The taxes levied by the Federal Government based upon ability to pay are income, estate, and gift taxes. All other taxes levied by the Federal Government are excise or sales taxes or commodity taxes and tariffs. These may be referred to as regressive taxes; that is, taxes which bear more heavily in proportion to the amount of income upon persons with comparatively small incomes. In 1930, a year of Republican rule, approximately one-third of the total Federal taxes was raised from personal income and estate taxes, another third from corporation-income taxes, and the remainder from other taxes (regressive taxes). In 1935, a year of Democratic rule, with a platform embodying the promise to balance a budget by "revenues, raised by a system of taxation levied on the principle of ability to pay" we find that about one-fifth of the total revenue is derived from personal income, estates, and gift taxes levied according to ability to pay. On the other hand, about two-thirds of the total Federal revenue is from taxes regressive in effect. In other words the platform pledge has been overlooked and the tax burden of this administration shifted away from those who are able to pay to the backs of those who have small or no incomes. I call this to the attention of the American Liberty League. They seemed to have overlooked this very important fact which I believe might influence many of them to support the President in the coming election.

During the last session of Congress, I offered amendments to the revenue acts which in my opinion would have placed a fair share of the tax burden upon those with ability to pay. I, also, in a speech on the floor, pointed out needed revision in the structure of the income tax.

I now offer a series of amendments to the present income tax which, as I shall point out, will remove cushions in the guise of exemptions and deductions placed in the law largely for the benefit of the wealthy. Practically all of them, as I shall point out, originated with lobbyists for special interests. A number of them, this House on more than one occasion has tried to eliminate.

These amendments do not raise the rates of taxation one cent on any taxpayer. For the most part their effect upon low incomes is negligible. If adopted, they will, however, produce additional revenue of at least \$200,000,000, which is a step at least toward balancing the Budget.

The first of these amendments proposes to strike from the present revenue act, section 117, the so-called capital-gain provision. This provision has been in our revenue laws since 1921, the first year of Republican rule following the close of the Wilson administration. It was an amendment cleverly designed by the wealthy to defeat the high surtax rates on individuals which in the 1921 act reached a maximum of 65 percent.

The original provision for capital gains differed from the present law in that it taxed the entire capital gain less all capital losses, but provided that in no event should the tax on capital gains be greater than 12½ percent. This provision benefited no one who had an income below \$30,000. In the case of the million-dollar a year class the relief from tax was 61½ percent on every dollar of capital gains. The provision originated in the House where it was sponsored by Ogden L. Mills, of New York. It had the endorsement of clever lobbyists who vouched for its potent powers in stimulating the sale of capital assets, said to be frozen as a result of the high surtax brackets of the War Revenue Acts. The clever language used by the authors of the committee reports indicate added precaution was taken to prevent any suspicion on the part of unsuspecting Members of this House that this provision was intended to benefit the wealthy. This is clearly shown by the following language taken from the House report:

* * * The sale of farms, mineral properties, and other capital assets is now seriously retarded by the fact that gains and profits earned over a series of years are under the present law taxed as a lump sum (and the amount of surtax greatly enhanced thereby) in the year in which the profit is realized. Many such sales, with their possible profit taking and consequent increase of the tax revenue, have been blocked by this feature of the present law. In order to permit such transactions to go forward without fear of a prohibitive tax, the proposed bill, in section 206, adds a new section (207) to the income tax, providing that where the net gain derived from the sale or other disposition of capital assets would, under the ordinary procedure, be subjected to an income tax in excess of 15 percent, the tax upon capital net gain shall be limited to that rate. It is believed that the passage of this provision would materially increase the revenue, not only because it would stimulate profit-taking transactions but because the limitation of 15 percent is also applied to capital losses. Under present conditions there are likely to be more losses than gains. (H. Rept. No. 350, 67th Cong., 1st sess., p. 10.)

Note the language "farms, mineral properties, and other capital assets." Could it be that the authors of this language did not know that 80 percent of all capital-gain transactions were stock transactions? It does not seem reasonable to believe that they were not cognizant of this fact. Whoever heard of farmers making profits on the sale of farms to the extent of \$30,000 or above in such numbers as to require relief from the burdens of surtax?

The present provision is a new provision and is entirely different from the "Mills provision." The present low taxes of the entire capital gain if sold within 1 year, 80 percent if sold after 1 year and before the expiration of 2 years. Lower brackets are provided for longer periods. In cases where the asset is held for 10 years or more, the taxable gain is only 30 percent of the entire profit. One of the principal arguments for this provision is that it will encourage the sale of capital assets and thereby increase Federal revenue. It requires no knowledge of the tax laws for anyone to see that this provision has the reverse effect claimed by its authors. Since the tax upon capital gain grows less in proportion to the increase in length of time held, it is obvious that it has the effect of encouraging prolonged retention of capital assets rather than promoting an immediate sale. The framework of this provision not only does not rest upon any social or economic base, but its provisions furnish a wide range of activity on the part of shrewd tax practitioners who are constantly looking for schemes to reduce taxes.

Within the past few years it has been urged upon Congress that capital gains should be exempted from the income tax. These proponents have constantly cited the British law which they assert exempts capital gains. They fail,

however, to tell you that the words "capital gain" are purely a statutory concept. Its concept in our law is a far different thing from the British concept of these words. In our law it includes all property—real and personal—not subject to inventory in the taxpayer's trade or business. In Great Britain "capital gains" as defined in its tax system includes only isolated transactions not connected with a trade or business.

Great Britain, therefore, taxes about 90 percent of all capital gains at full surtax rates. What I propose, therefore, is the extension of the British principle to all capital gain instead of approximately 90 percent of these transactions.

The second amendment by which I propose to reach the wealthy class is the elimination of the exemption of so-called tax-free distribution by corporations. This House on three occasions in the past—1928, 1932, and 1934—has attempted to make such distributions subject to tax. In each case wealthy lumber and mining interests have succeeded in having the Senate reverse the action of the House. In the last instance a subcommittee of the Ways and Means Committee, composed of the ablest Members of this House, recommended the change (Prevention of Tax Avoidance, Preliminary Report of a Subcommittee of the Ways and Means Committee, 1933, p. 9).

Corporations have had a period of 23 years to distribute these earnings free of tax. I see no reason why such a subsidy should be continued.

The third amendment, which not only reaches wealthy individuals but large corporations which they control, is the elimination of the so-called tax-free exchanges. This amendment also owes its existence to the influence and suggestions of the Mellon regime of the Treasury. It, too, has been the vehicle by which the wealthy and the large corporations which they control have escaped hundreds of millions of taxes which they ought, in good conscience, have turned over to the Government. The tax-evasion schemes concocted by clever and designing tax attorneys under the guise of business reorganizations became a national disgrace known to almost every taxpayer in this country. Congress, to meet the rising tide of criticisms, attempted in the 1932 act and again in the 1934 act to revise the language of this section, so as to eliminate some of the worst abuses. The very able subcommittee of the Ways and Means Committee of the House apparently came to the same conclusion as I upon this subject, for on page 8 of their report, *supra*, the subcommittee said:

First, it will close the door to one of the most prevalent methods of tax avoidance. Second, it will greatly simplify the income-tax law by eliminating some of its most complicated provisions.

The fourth amendment proposes to reach the bankers who constantly pile up investments in tax-free securities instead of making loans to industry. Under the present law, interest paid by banks to depositors is deductible from their taxable income, whereas the banks take the deposits and invest them largely in tax-exempt bonds. The net effect of such a law is to exempt banks from the income tax. In view of the many other laws favorable to this class of taxpayers, there is not a single economic or social reason for the continuation of such a subsidy. The very able subcommittee of the Ways and Means Committee, to which I have previously referred, came to this same conclusion prior to the preparation of the Revenue Act of 1934. Page 13 of the subcommittee's report states:

Your subcommittee believes that interest paid on deposits invested in tax-exempt securities should be disallowed as a deduction for income-tax purposes.

In this connection I note internal-revenue statistics for 1932 showing national banks of this country in 1932 paid income taxes of only \$552,000. The income of the 6,804 banks reporting net income was only \$5,353,000. This is an average of less than \$1,000 net income for each bank and an average income tax of only \$80 per bank. On the other hand, 5,461 national banks showed an aggregate loss of \$216,109,000.

Contrast these figures with an actual net income of national banks for the fiscal year 1933 of \$216,000,000 and it is obvious that the deductions provided by income-tax laws have absorbed their taxable income.

The next amendment which I offer deals with life-insurance companies and represents a change which the junior Senator from Texas, Senator CONNALLY, offered on the floor of the Senate during the passage of the Revenue Act of 1932. The history of life-insurance taxation in our income-tax laws is an interesting one and parallels certain other measures designed to grant unwarranted immunity or substantial subsidies to certain classes of taxpayers.

Under the 1917 and 1918 acts, life-insurance companies were taxed in the same manner as other corporations. Upon the coming into office of the Republican administration in 1921, the large insurance companies urged a change in the method of taxing life-insurance companies. The result of this pressure was the enactment of a special provision for life-insurance companies. The scheme was elaborately worked out by the large companies themselves and was presented to Congress by the late Dr. T. S. Adams, of Yale University, who, during that period, acted as an advisor to Congress on taxation matters. The scheme in substance required mutual life-insurance companies to include in taxable gross income only their taxable receipts and gains from investments and permitted deductions for investment expenses and also 4 percent of the mean of the reserve funds required by law and held at the beginning and end of the year. The arbitrary 4-percent deduction in the case of the large companies is much in excess of the actual rate required by the various States in which they do business.

Some States require as low as 3 percent and very few reach a maximum of 4 percent. Dr. Adams, apparently realizing the arbitrary 4 percent while probably not too great for the small companies operating in the States where the highest rate prevailed was excessive for the large companies most of whose business was in States where much less than 4 percent was required, inserted a provision to the effect that the 4-percent deduction should be reduced by any tax-free interest received. After several years of administration under this provision the insurance companies contested the right of the Government to reduce the 4-percent deduction by tax-free interest, with the result that the provision was held unconstitutional (*National Life Insurance Co.*, 277 U. S. 508). On this account the Government refunded approximately \$3,000,000 in interest and back taxes.

When the 1932 revenue bill was pending in the Senate the junior Senator from Texas, Senator CONNALLY, attempted to have the 4-percent deduction reduced to the actual interest paid by each company as approved by the insurance commissioners of the respective States. It was brought out during the discussion of this amendment that it was represented to the Congress during the passage of the 4-percent provision that the actual amount of interest required by law to be added to the reserve fund each year was a figure which would involve unreasonable checking by the Bureau to determine, and was not verified by any other authoritative administrative body.

While I have not sought to ascertain the accuracy of these statements made by Dr. Adams and others, I have been reliably informed that additions to reserve funds in the nature of interest as required by State law is carefully verified by the insurance commissioners of the respective States. Therefore, I see no reason why the amendment suggested by the junior Senator from Texas should not be enacted into law. It was defeated through the influence of the large insurance companies, which for the most part are saved from a half million dollars to in excess of a million dollars each. The excessive deduction of interest constitutes a mere subsidy and should not be continued. It may be urged that to tax life insurance companies is the taxation of widows and orphans. It is safe to say that the change suggested in my amendment will not make 10 cents difference in any matured policy of the companies affected.

The last amendment deals with the elimination of credit for foreign taxes. It proposes elimination entirely of section 131 of the Revenue Act of 1934. A brief history of this provision is also necessary as a further demonstration of the effective manner in which special interests have dominated the writing of our income-tax laws. Revenue acts prior to 1918 treated income taxes paid to foreign governments in the same manner as income taxes paid to the respective States. Both were considered as deductions from income. During the preparation of the 1918 act the lobbyists got in their work.

A credit for foreign taxes was inserted in the 1918 bill and became a law. The loopholes which it contained were so obvious to the average practitioner that it cannot be fairly said that these loopholes as well as the obvious loss to the Government in revenue was not recognized by its able and experienced sponsors. The sloppy and careless manner in which it was drafted added to its bad features. This would have been enough favoritism, but the "Mellon regime" went further and gave some of its features such a liberal interpretation in favor of the taxpayer that even shrewd and able attorneys and large corporations did not realize the tremendous possibilities of tax avoidance by this scheme until several years afterward. The result was that millions of dollars in unwarranted refunds were made before any effort was made to have judicial review made of these apparently too liberal rulings. After some 14 years of administration and after the perpetuation of this favoritism in several revenue acts the notorious tax avoidance by means of this section reached the ears of Congress, and in 1932 these abuses were stopped. I see no reason why we should continue to grant reduction in tax due this country for taxes paid to other sovereignties, when practically every country in the world has consistently refused to grant their subjects similar treatment. Many of these governments, such as Great Britain, France, and Germany, have had a much longer experience with the income tax. These are countries engaged in foreign trade on a very large scale. If it had been advisable either from a social or economic standpoint the privilege would have been a part of their laws long ago.

In this connection, I might point out that the Supreme Court of the United States has construed this provision to include income taxes levied by principalities, cities, and states of foreign governments as well as taxes levied by the National Government (*David Burnett v. Chicago Portrait Co.*, 285 U. S. 1).

The second reason for eliminating this provision is the discrimination which it makes in favor of taxpayers operating in foreign countries as contrasted to treatment of income taxes paid to the several States. Items of the latter class are mere deductions from gross income. Those who believe in tariffs and the protection of home markets should enthusiastically support my amendment to eliminate this credit. It can readily be seen that granting the credit is merely offering industry another inducement to locate in foreign countries, where cheap labor prevails, and flood our markets with goods that might well be produced at home.

The last amendment restricts the allowable depreciation to machinery and equipment used in a trade or business. This change is, in effect, the same as the present provision for depreciation found in British income-tax laws. The notorious abuse of the depreciation provision in our income-tax laws in the past is known far and wide. There is scarcely any provision so widely employed for tax avoidance as this provision. A subcommittee of the Ways and Means Committee took notice of this in the preparation of the 1934 revenue bill and threatened to arbitrarily limit the deductions, but upon assurance from the present Secretary of the Treasury that efforts would be put forth to correct administrative abuses, no change was made.

There seems to be no good reason why depreciation on buildings should be granted. Repairs to them are allowable in full and upon their destruction the cost is allowed as a loss. Throughout the country there are millions of dollars invested in buildings which the income-tax unit upon the

basis of the rates ordinarily allowed have long since allowed to be written off in full, yet these buildings are being used and have oftentimes a value far in excess of their original cost. The estimate of the life of a building is too speculative to form the basis for deductions from income. Not even experts agree as to the amount of the yearly loss sustained, if any. It is common knowledge that unless they become obsolete or are abandoned, their useful life is prolonged indefinitely through repairs all of which constitute an annual expense for income taxes.

These amendments are but the beginning of complete overhauling of our revenue laws if we expect a satisfactory statute. No less an authority than Robert H. Montgomery in his most recent revision of Federal Tax Handbook pointed out his own view of the present law as follows:

With us, in a little more than 20 years, we have a continuous retrograde record, with just a few notable exceptions.

The criticism from one of the foremost authorities on taxation aptly sums up my estimate of tax administration.

The necessity for reform as to subject matter is but one of several subjects that must be dealt with if we are ever to expect to have a satisfactory and workable law. The language of the statute is in serious need of revision. Mr. Hubbard, in his Preface to Federal Income Tax Laws, pages 3 and 4, says:

* * * The other defects of the present statute are chiefly due to the failure of its draftsmen to keep pace with the times and to modify the form according to the evolution of the substance. With a commendable affection for ancient tradition but with a distressing lack of courage to discard machinery long since obsolete they have sought laboriously to fashion the canal boat into a zeppelin.

This is in my opinion a fair appraisal of the cumbersome language of the present act. Nothing would tend to so reduce the tremendous volume of tax litigation as a complete rewrite of the revenue laws. It might profitably be undertaken by the able subcommittee of the Ways and Means Committee.

As a final suggestion for clearing up the present mess of the income administration I suggest that the Board of Tax Appeals be abolished, and that proper legislation be enacted for the creation of a body independent of the Treasury Department to review cases before assessment after hearing in an informal manner—both the taxpayer and the Government. The Board of Tax Appeals has long ceased to perform a useful function; it is a luxury that should have been dispensed with long ago. It only serves to clutter up the courts with conflicting opinions which makes it necessary to prolong the files awaiting a number of decisions until final decision can be rendered by the highest court. Mr. Robert Jackson, formerly of the Internal Revenue Department, gave many additional good and sufficient reasons in his testimony before the Senate Finance Committee last session as to why the Board of Tax Appeals should be eliminated.

COMMITTEE ON IMMIGRATION

Mr. KRAMER. Mr. Speaker, I ask unanimous consent that the Committee on Immigration may sit during the session of the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the bill (H. R. 11046) to facilitate the conservation of public lands and other natural resources by coordinating the executive agencies of the Government exercising functions in connection therewith, and for other purposes, be referred to the Committee on Expenditures. I have discussed this matter with the Parliamentarian, the chairman of the Public Lands Committee, as well as the author of the bill, the gentleman from Utah [Mr. ROBINSON], and it is agreeable that this be done. All parties interested feel that the proper committee to consider this matter is the Committee on Expenditures.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. ROBINSON of Utah. Mr. Speaker, reserving the right to object, may I say that after the introduction of this particular bill I found there was another bill very similar to this one that had previously been introduced and referred to the gentleman's committee. I checked the matter up with the Parliamentarian, and I agree with the gentleman from Missouri that this bill should have been referred in the first place to the Committee on Expenditures.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

TAXATION OF PREFERRED STOCK, CAPITAL NOTES, AND DEBENTURES OF BANKS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11047) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by Reconstruction Finance Corporation and reaffirming their immunity.

May I say in this connection that I am told by the Reconstruction Finance Corporation and by the Federal Deposit Insurance Corporation this legislation is very necessary in order to enable the banks which need this preferred stock to keep their doors open. I may say also that this bill has the unanimous report of the Committee on Banking and Currency.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland for the immediate consideration of H. R. 11047?

Mr. CELLER, Mr. PATMAN, Mr. BIERMANN, and Mr. MARTIN of Massachusetts rose.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

Mr. GOLDSBOROUGH. Will the gentleman withhold his objection?

Mr. CELLER. Mr. Speaker, I want to reserve the right to object. I think the gentleman wants to ask some questions.

Mr. MARTIN of Massachusetts. I withhold my reservation.

Mr. BANKHEAD. Is it the gentleman's purpose to object eventually?

Mr. MARTIN of Massachusetts. Yes. I do not think the bill ought to be called up in this manner without further discussion.

Mr. BANKHEAD. Mr. Speaker, I demand the regular order.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

SANISH SCHOOL DISTRICT NO. 1, MOUNTRAIL COUNTY, N. DAK.

The SPEAKER laid before the House the following order from the Senate of the United States:

JANUARY 16 (calendar day, FEB. 4), 1936.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 3093) to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children.

The SPEAKER. Without objection, the request of the Senate will be granted.

There was no objection.

NEUTRALITY RESOLUTION

Mr. WOOD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WOOD. Mr. Speaker, on yesterday, during the consideration of House Joint Resolution No. 491, known as the neutrality resolution, I was unable to be present on account of illness. I had a pair with the gentleman from Massachusetts, Mr. RUSSELL, who was also absent at that time. May I announce that if I had been here I would have voted

"yea" upon the resolution, although I do not think it went quite far enough.

THE BONUS AND TAXPAYERS

Mr. YOUNG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to insert therein a radio address which I delivered.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following radio address delivered by me over WJAY broadcasting station, Cleveland, Sunday evening, February 16, 1936:

Good evening: It benefits a Congressman to receive advice and suggestions from his constituents. I am glad to have this opportunity to report to you upon the work of the present session of your Congress. Shortly before or after adjournment I hope to again report to you. In the meantime I shall be glad to receive suggestions and have the benefit of your views and advice.

We in the Congress seek to preserve the fundamental concept of America and to improve upon the structure of government. Congress is a true cross section of the American people. Its aspiration and ideals, its yearnings for steady employment, for a better economic and social order, are the yearnings and aspirations and the ideals of the American people. We desire to preserve the security of the Nation, the prosperity of our citizens, the honor of our country, and to maintain the United States as the first country of the world.

The most important measure and, in fact, the only measure of any importance in addition to necessary appropriation bills enacted into law thus far during the present session is the Soldiers' Bonus Act.

The Constitution provides that when two-thirds of the Members of both Houses support a measure it becomes a law notwithstanding the veto of the Chief Executive. Cash payment of adjusted-compensation certificates became a law by an overwhelming vote. This is the second time that President Roosevelt's veto has been overridden by the Congress. The President has vetoed a large number of minor or private bills, and these vetoes have all been sustained. May I express my hope that all comrades who are not in need and who, like myself, have salaried positions withhold cashing their adjusted-compensation bonds this year. Thousands of our comrades who are unemployed or in need deserve first consideration. Furthermore, no new taxes will be necessary provided income-tax returns come in as anticipated.

Payment of the soldiers' bonus has been since 1925 an existing governmental obligation—a recognized indebtedness. Therefore, it is not accurate to state that \$2,000,000,000 has now been added to the public debt. Had this adjusted compensation been paid in cash in 1925 our taxpayers would have saved huge interest charges. The soldiers' bonus reminds Congressmen of the story of a widow who had a lot of trouble over her husband's estate. She was asked, "Can't you find a law firm that is satisfactory?" She replied, "Don't talk to me about lawyers. I have had so much trouble over this property I almost wish my poor husband had not died."

Friends of inflation call it currency expansion. Opponents call it inflation and speak of the bankruptcy and hardships in Germany and in fact of the financial collapse of every government that has ever tried printing-press money. The Frazier-Lemke farm-debt pay-off bill provides for \$3,000,000,000 in new currency fresh from the printing presses. It provides for Government refinancing at low interest rate—Federal Reserve notes to be issued by the Government. The security will be first mortgages against the farms. This bill answers the farmers' prayers. Restricting production has not solved the farmers' problem. I do not believe in plowing under every third row, as was advocated by President Hoover. It is more blessed to distribute than to destroy. The facts are there is an underconsumption in this country, not overproduction.

According to rules of the House of Representatives, if a majority of the Members sign a petition to discharge a committee from further consideration of any bill, that bill must be brought before the House of Representatives for debate and vote. Two hundred and nine Representatives, only nine less than the required number, have already signed the discharge petition relative to the Frazier-Lemke bill. It may be that this measure will be voted on in the House of Representatives. It is likely to be sidetracked in the Senate.

Congress will very shortly strengthen the Mandatory Neutrality Act we enacted late last session. President Roosevelt's foreign policy deserves the support of all our people, regardless of politics. We provided last August for an embargo on arms and munitions to warring nations. This expires on February 29th, and a mandatory neutrality measure similar to this but providing for an absolute embargo as to export of munitions and war materials to warring nations, denial of loans and credit to such nations, and that Americans must keep off merchant vessels of belligerents, not joy-ride on vessels of warring nations, and remain away from

war zones will be enacted into law. American manufacturers and dealers should not be so greedy for profits to sell arms and munitions to any nation actually at war. Congress should strengthen this mandatory-neutrality law so that we cannot be dragged into a foreign war. Small profits for American manufacturers today may mean terrific costs for the American people tomorrow. Congress should play safe. In view of the Italian-Ethiopian conflict, neutrality legislation is receiving a lot of consideration. You can term me a pacifist if you like. You may depend upon it, I will, as your Congressman, support neutrality legislation and do my utmost to keep our country from being involved in any Old World conflicts. Congressional sentiment preponderates overwhelmingly in favor of America first and that our country should not become entangled in any foreign squabbles. In fact, all Senators and Congressmen who vote for war should be compelled to go overseas with the first soldiers.

Frequently constituents ask whether there is likelihood of war with Japan. Serving on the Naval Affairs Committee, I find that war talk bobs up now and then. The facts are that Japan, of all countries of the world, is Uncle Sam's second-best customer. In 1935 the Japs bought \$115,000,000 worth of cotton produced in the United States. They purchased many millions of dollars' worth of additional products of American farms and factories. In 1935 they sold us less than \$1,000,000 worth of merchandise. In other words, for each 89 cents in American money paid to Japan, Americans received more than \$115. A man should not fight one of his best customers, nor should a nation. I disagree with Senator PITTMAN and do not share his fears of Japan. We are facing an era of peace and prosperity.

The Civilian Conservation Corps terminates in 1937 unless legislation is enacted extending the operation of these camps. The C. C. C. should be a permanent agency of the Federal Government. One million six hundred thousand boys and young men, jobless and hopeless, have been given employment in these C. C. C. camps. This is the greatest peaceful mobilization in the world. In other countries young men are goose-stepping in armed camps. This is a mobilization to conserve trees in our forest, to conserve soil from erosion, and to preserve the beauties of our national parks. It is the greatest national experiment in constructive social welfare work ever undertaken.

In fact, it is proposed to liberalize this C. C. C. legislation so that all unemployed young men would be eligible for enrollment and the maximum age should be increased to 25 years.

The Supreme Court declared the Triple A unconstitutional, and Congress will provide remedial legislation in an endeavor to make this legislation conform to the majority opinion of the Supreme Court. In event the Supreme Court declares unconstitutional the Guffey coal control and other important laws recently enacted, Congress will remain in session some weeks longer to reenact remedial legislation in conformity to these decisions.

Let me remind you that at the time I first became your Congressman in the darkest hours of the depression in March of 1933 wheat was selling at 34 cents, corn at 12 cents, and hogs at 3 cents. This was less than the cost of production. Farmers were not earning enough to pay interest on their mortgages and their taxes. We in the Congress will never permit agriculture to be pushed back to the pitiful conditions of 1932 and early 1933. Prosperous farmers mean busy factories in cities, more purchasing power everywhere, increased automobile production, and steady employment.

One United States district judge declared the Tennessee Valley Act unconstitutional. Another United States district judge declared this same act constitutional. This has been highly confusing. Tomorrow noon the Supreme Court of the United States may render its long-awaited T. V. A. decision. A United States district court holds the Guffey Coal Control Act constitutional. This decision will be appealed to the United States Supreme Court. No one can definitely assert whether any law is constitutional until the Supreme Court has handed down its decision. Congress should abrogate the right exercised by inferior Federal courts to declare laws unconstitutional.

Furthermore, when the question is so close that a bare majority, five of nine Supreme Court judges, declares a law unconstitutional, as was done in the Railway Pension case and in the Income Tax case (before one of the Supreme Court justices changed his mind), it appears dead wrong to permit a law enacted by 435 elected Representatives and 96 elected Senators to be thus set aside and declared invalid. I favor requirement by act of Congress that three-fourths (seven of nine) Supreme Court justices must agree in order to declare laws unconstitutional. Last year I introduced a bill to provide for this, and I hope for its enactment into law.

Back in the time of John Marshall, Congress silently acquiesced in the case of Madison against Marbury, wherein the Supreme Court for the first time held an act of Congress unconstitutional. The Constitution nowhere specifically gives the Supreme Court the power to declare an act of Congress void.

In Ohio our State constitution, as amended in 1912, provides that five of seven of the State supreme court judges must agree in order to declare a legislative act unconstitutional. This provision has given universal satisfaction in Ohio.

No constitutional amendments are necessary to meet present conditions, nor are increased taxes needed; and your President and the majority in Congress oppose inflation.

Reactionaries in Congress propose a Federal sales tax. We in Ohio know that a retail sales tax is obnoxious and should be repealed. A sales tax, particularly when imposed upon food and clothing, bears down hardest upon the poor. It destroys the consuming power of people. A Republican Congressman displayed sales-tax tokens in use in Missouri. These are cardboard disks about the size of a silver dollar. He said, "When we have paid the bonus, pensioned off war veterans, and then commence paying every man and woman over 60 \$200 per month each, we'll be frying the sales-tax tokens and eating them for our Sunday dinners." The average annual per-capita tax of every individual in our country is \$122. I personally feel that courageous economy, without denying essential relief, is essential in Government. If the majority of your Congressmen accept my views, no increased taxes will be necessary and governmental expenditures can be greatly curtailed as private industry picks up.

People are greatly concerned over governmental expenditures. It is proper that they should be, even under the do-nothing policy of Herbert Hoover the national debt increased \$6,236,000,000. The increase under President Roosevelt is \$7,400,000,000. Mr. Hoover failed to balance the Budget by more than \$6,000,000,000.

Under President Roosevelt \$7,000,000,000 has been put aside to spend on relief. If relief expenditures are not considered, the Budget is balanced. Relief expenditures must be considered. This is a most necessary expenditure. People will riot before they will starve. Mr. Hoover said relief was a "local problem", to be "handled by States and municipalities", themselves bankrupt. That was rugged individualism. That was ruthless. It meant ragged individuals. The national income has increased more than \$20,000,000,000 since Franklin D. Roosevelt became President. Conditions differ greatly now from the situation on that black Saturday in 1933 when Mr. Hoover turned the wreck over to President Roosevelt. Our national debt is now but three and a half billion dollars more than it was in 1919. Our national income is greater and our population is 20,000,000 greater. I feel that we can all look forward with hope for steady employment and economic security.

The Social Security Act of 1935 may be amended during the present session. It certainly will be if the Supreme Court declares it unconstitutional. I personally have considerable doubt as to the constitutionality of the pay roll tax feature of this act. Furthermore, that part of Social Security Act relating to old-age pensions should be liberalized. Old-age security payments should commence at the age of 60. More liberal payments should be made.

Congress will remain in session, in all probability, until June, and I shall report to you again.

TAXATION OF PREFERRED STOCK, CAPITAL NOTES, AND DEBENTURES OF BANKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the bill that was called up here a few minutes ago will take taxable property away from local communities and make such property tax exempt and involves between \$75,000,000 and \$1,000,000,000. I think it contains a very bad principle. I do not think we should take taxable property away from local communities. Therefore, I hope the Members of the House will carefully investigate this bill before permitting it to come up for consideration and ultimate passage.

Mr. MARTIN of Massachusetts. Does the gentleman think we should have liberal time to debate this matter?

Mr. PATMAN. Yes; and we should also be furnished with printed hearings. There are no printed hearings in connection with this bill.

[Here the gavel fell.]

SHALL CONGRESS DECLARE PRIVATE PROPERTY IN LOCAL COMMUNITIES TO BE NONTAXABLE AND CAUSE IT TO BE TAKEN FROM THE TAX ROLLS?

Mr. PATMAN. The bill, H. R. 11047, is intended to declare nontaxable certain stocks held by the Reconstruction Finance Corporation that the Supreme Court, in a recent decision in the *Maryland Case*, decided are taxable. The bill provides:

Notwithstanding any other provision of law or any privilege or consent of tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation,

shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any States, county, municipality, or local taxing authority, whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period.

You will notice that this is rather far-reaching language used in this bill. It not only includes preferred stock, capital notes, and debentures of State banks, but includes shares of preferred stocks of national banking institutions. Not only does it include the future, but it even attempts to cancel the assessments and levies of States heretofore made. You will notice the language "past, present, or future taxing period." As to how far this bill will go we do not know, but I am certain of one thing, that it will take at least \$229,000,000 of property off of tax rolls in the States, counties, and cities that are now on the tax rolls or entitled to be on the tax rolls according to a decision of the United States Supreme Court.

THE AMOUNT INVOLVED

According to a report from the Reconstruction Finance Corporation as printed in the CONGRESSIONAL RECORD for February 5, 1936, in a speech by the Honorable ARTHUR P. LAMNECK, the amount of money received by the bankers in the purchase of preferred stock, capital notes, and debentures in banks and trust companies, including loans on preferred stock, by States is as follows:

Alabama	\$14,278,575.00
Alaska	37,500.00
Arizona	\$2,430,000.00
Arkansas	4,404,000.00
California	48,502,425.00
Colorado	4,893,500.00
Connecticut	7,192,126.00
Delaware	567,300.00
District of Columbia	15,400,000.00
Florida	2,046,000.00
Georgia	4,835,500.00
Idaho	1,690,000.00
Illinois	90,131,114.17
Indiana	16,387,000.00
Iowa	10,213,000.00
Kansas	5,176,500.00
Kentucky	8,874,850.00
Louisiana	15,272,000.00
Maine	9,125,500.00
Maryland	9,063,170.00
Massachusetts	16,174,200.00
Michigan	39,614,661.00
Minnesota	17,301,025.00
Mississippi	14,048,150.00
Missouri	20,612,125.00
Montana	3,990,500.00
Nebraska	7,897,950.00
Nevada	205,000.00
New Hampshire	751,635.00
New Jersey	69,617,016.07
New Mexico	690,000.00
New York	301,201,605.83
North Carolina	7,463,500.00
North Dakota	4,004,500.00
Ohio	79,977,973.00
Oklahoma	10,934,000.00
Oregon	1,950,000.00
Pennsylvania	45,332,496.50
Puerto Rico	1,250,000.00
Rhode Island	898,500.00
South Carolina	2,746,800.00
South Dakota	4,438,100.00
Tennessee	11,634,100.00
Texas	30,481,125.00
Utah	3,995,000.00
Vermont	15,795,000.00
Virginia	10,694,650.00
Virgin Islands	125,000.00
Washington	6,039,500.00
West Virginia	6,161,066.66
Wisconsin	33,065,600.00
Wyoming	1,362,500.00

You will notice these loans total to the enormous amount of \$1,040,973,339.23.

It is my opinion that the proposed law does not cover the entire billion dollars of capital notes, debentures, and preferred stock listed for each State, but, as I have heretofore stated, I am positive it covers \$229,000,000 of it, possibly

more; but I cannot be positive about it. The bill contains a bad principle, and it should be defeated.

HOW TAXABLE VALUES IN TEXAS ALREADY AFFECTED

In many States, including Texas, in order to determine the taxable value of banks, the assessing authorities add the capital stock, surplus, and undivided profits of the bank together and then deduct the value of the real estate. In Texas the value of all bank stock shown on the 1934 tax roll was \$9,643,135 less than the value for bank stock shown on the 1933 roll. Evidently a large part of this was brought about by the Reconstruction Finance Corporation buying the shares. This does not include what has been taken from the tax rolls by the cities.

The question is, Are the banks to be favored over other taxpaying citizens, and will Congress decide local taxable values and property?

This bill contains a bad principle.

BANKERS' BONUS BILL

If the bill H. R. 11047 becomes a law, it will have the effect of depriving States, counties, cities, and political subdivisions of taxing hundreds of millions of dollars' worth of property that is now taxable. It will be taking this property off the tax rolls of the different governments having taxing power and causing other property to bear its share of the taxes. It is in fact a bankers' bonus bill or an additional dole to the bankers. If we are going to pick out certain classes or groups to contribute Government funds to, there are other classes and groups that are more deserving than this particular class. Banks are necessary and desirable. If it is necessary to use the Government's funds to help the banks, let us do it directly, open and aboveboard, just like we are helping people on relief rolls. It is unnecessary to establish the policy that will be established here, to wit, making taxable property nontaxable in order to help the banks.

MAKING LOCAL PROPERTY NONTAXABLE

Let us take the case of an individual bank in Texas as an illustration. The bank has a capital stock of \$500,000. It has sold half of its stock, \$250,000, to the R. F. C. Heretofore this stock has paid 10 percent annually, the banks having paid the holders of the stock about \$25,000 a year.

With the R. F. C., however, the interest rate is 3½ percent and the bank is only compelled to pay the R. F. C. \$8,750 annually on the \$250,000 stock issued; that is a net saving to the bank of \$16,250 a year. The R. F. C. cannot continue, however, to give the bank this low rate of 3½ percent if it is required to meet taxes on this stock, so the question is: Will we make this stock nontaxable in order to save the banks their just and fair share of the burden of taxation? In Texas banks pay taxes on their capital stock after deducting the value of the real estate rendered for taxation. Many banks in Texas pay taxes on half of their capital stock; the other half not being paid on because the real estate represents about half of their capital stock. If the half of their capital stock that is owned by the R. F. C. is made tax exempt, these banks will not pay any taxes at all. In every town in Texas the city will be prohibited from taxing this heretofore taxable property. Every county will be prohibited from taxing it. Every school district and road district will be prohibited from taxing it. The State will be prohibited from taxing it. I cannot see any good reason why we should give the banks such a preferred status. As I said, if they need financial help from the Government, let us pay them on direct relief as other people are put on direct relief.

PRESENT BENEFITS OF BANKS

Let us see what has already been done by the Government for banking institutions. We have certainly not neglected them. I think they have been well taken care of in the last 3 years. In fact, the Government credit has not been used to bail out any particular industry or business so successfully as in the case of banking institutions. It is true that

while we were helping the banks, we were helping the people—the depositors. At the same time, the banks have a duty to perform. I am inserting herewith a statement that has been furnished to me by the Comptroller of the Currency, Mr. J. F. T. O'Connor. It is as follows:

Ratio of loans and discounts to total deposits of national banks on or about June 30, each 5-year period, 1900-25, and yearly, beginning 1926

[Amounts in thousands of dollars]

Date	Number of banks	Total deposits	Total loans and discounts	Ratio of loans and discounts to deposits
June 30—		Dollars	Dollars	Percent
1900	3,732	3,621,542	2,623,512	72.44
1905	5,668	5,407,454	3,899,170	72.11
1910	7,145	7,257,038	5,430,159	74.83
1915	7,605	8,821,242	6,659,971	75.50
1920	8,030	17,166,570	12,396,900	72.22
1925	8,072	19,921,796	12,674,067	63.62
1926	7,978	20,655,044	13,417,674	64.96
1927	7,796	21,790,572	13,955,096	64.04
1928	7,691	22,657,271	15,144,995	66.84
1929	7,536	21,598,088	14,801,130	68.53
1930	7,252	23,208,884	14,887,752	63.98
1931	6,805	22,198,240	13,177,485	59.36
1932	6,150	17,460,913	10,281,676	58.88
1933	4,902	16,774,115	8,116,972	48.39
1934	5,422	19,932,660	7,694,749	38.60
1935	5,431	22,518,246	7,365,226	32.71
Nov. 1, 1935	5,409	24,033,236	7,301,371	30.38
Dec. 31, 1935	5,392	24,847,733	7,505,321	30.21

GOVERNMENT NOW PAYING BANKS \$400,000,000 A YEAR

It will be noticed that from 1900 to 1920 from 72 to 75 percent of the deposits of national banks were invested in commercial loans. From 1920 to 1930 from 63 to 68 percent were invested in commercial loans. Since 1930, however, the ratio has reduced until now approximately 30 percent of deposits are invested in commercial loans. Anyone familiar with present conditions of banks knows that the tendency has been for the banks to get out of strictly commercial-loan business and invest their funds in Government bonds. They are now becoming large bondholders. In fact, on June 30, 1935, all the 16,053 banks held \$12,201,560,000 in United States Government securities—direct obligations. I do not know what the average rate of interest is that they received, but if the rate is 3 percent, the Government is now paying the bankers \$366,000,000 a year interest on the Government obligations I have mentioned. This does not include over \$2,000,000,000 of securities guaranteed by the Government as to interest and principal held by these banks. In other words, the Government is now guaranteeing over \$400,000,000 a year to banking institutions in the form of interest. We should not encourage banks to invest in Government securities instead of commercial loans.

GOVERNMENT SHOULD NOT PURCHASE CREDIT INFERIOR TO OWN

If an individual borrows or hires the bank's credit, it is right that the individual should pay the bank interest because the bank's credit can be used in the markets of the country the same as currency and the individual's credit cannot be so used. In other words, the bank's credit is better than the individual's credit. In the case of the Government, however, this is not true, the Government's credit is better than the credit of all the banks in the Nation. Therefore, the Government should not pay private banks for the use of their credit because it is inferior to the Government's credit and does not help the Government credit at all. Any amount paid by the Government for credit that is worth less than its own credit is either a bounty, subsidy, or dole, whichever you prefer to call it. The Government is paying almost a billion dollars a year interest on Government obligations. This amount should not be paid.

SOME BENEFITS ENJOYED BY BANKS

Let me enumerate some of the major benefits now received by national banking institutions.

First, National banks hold charters from the United States Government. A bank charter is a valuable franchise.

It guarantees to the owners of this franchise that they will not be molested by competitors in the national banking business unless it can first be shown by those seeking to be a bank's competitor that additional banking facilities are needed in that locality and there is sufficient business that cannot be taken care of by the existing banking institution to justify the additional one. That is a great privilege to be protected against competition unless that competition is needed and will not seriously affect or jeopardize the profits of the existing institution. One receiving such a valuable franchise from the people—a special privilege it may be called—should render some service to the people in return for it.

Second. The Government permits these banks to lend on an average of \$10 to every one that the bank possesses. If the bank lends a million dollars and does not have but a hundred thousand in its possession, and it should be called upon for the full million dollars, facilities are available under existing laws that will permit this bank to have \$900,000 of new money run off by the Government printing presses for its benefit for the purpose of paying the million dollars to its depositors when it only has one hundred thousand. Of course, it is seldom that banks are called on in this way, but the Government's credit is standing by to assist the banks if needed. The Bureau of Engraving and Printing is standing by ready to print the additional money that is needed. In other words, the bank's operations depend largely upon the backing of the Government's credit. For this privilege the banks should render some service to the people.

Third. The Federal Deposit Insurance Corporation was organized for the purpose of guaranteeing deposits in banks. The Government caused \$300,000,000 of the funds necessary for this purpose to be deposited and the banks furnished \$39,000,000 of the original fund of \$339,000,000. Therefore, the Government has been rather generous in furnishing about nine-tenths of the money necessary to guarantee the deposits in the banks. For this privilege, the banks should render some service to the people.

Fourth. The banks claim that new capital is needed in order to keep their credit structure sound. The R. F. C. has invested about a billion dollars in stocks, notes, and debentures of banks in every State of the Union. Heretofore the banks paid around 10 percent annually to the holders of their stock. They are now required to pay only 3½ percent to the R. F. C. That is saving the banks a considerable sum of money.

Fifth. During the past 3 years banks, by an act of Congress, have been relieved of the responsibility of paying interest on demand deposits. This is saving the banks over \$250,000,000 a year.

Sixth. Congress has passed laws which have caused interest on time deposits to be reduced. I do not know how much has been saved in this way, but I believe that a fair estimate would be \$200,000,000 a year.

Seventh. In addition to all these benefits, the banks are furnished Government bonds which are interest bearing and tax exempt in return for credit that is inferior to the Government's own credit. Congressional laws have made facilities available to banks for the deposit of these Government bonds and the issuance of new money dollar for dollar in return to them if the new money is needed. Again the Government printing presses at the Bureau of Engraving and Printing represent a stand-by that may be used any time to print money by the tons for the bankers if it is needed.

SERVICE CHARGES

For a hundred years banks recognized the great benefits guaranteed to them by the Government and rendered free of charge a certain amount of service for the accommodation of the people, the public generally, whether they had deposits in banks or not. Now, however, many of the banks have adopted a policy of charging for every little service

they render. Even if you have a deposit of \$500 in a bank, if you issue many checks, you have to pay a service charge on that average balance. Five hundred dollars is sufficient for the banks to issue \$5,000 in credit with the Government backing, and the people back the Government. These service charges are deflationary as many people cannot do business with banks. This has restricted credit and velocity of credit and currency, which is deflationary, and detrimental to the interest of the country.

BAD PRECEDENT

With all these rights, benefits, and privileges, it occurs to me that a bank's property should be taxed just like the property of any other citizen or corporation. I think it is a very bad precedent for the Government to attempt to render nontaxable private property in the different States.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent that on Thursday next, after the reading of the Journal and disposition of business on the Speaker's desk, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, I did not know that requests of this sort were going to be made. May I say that the gentleman from Texas [Mr. JONES], chairman of the Committee on Agriculture, has stated to me that at that time he expects to have the agricultural bill up for consideration. It is the hope and purpose of that committee to get through with the bill sometime Friday. He informs me that if he was present and any requests of this nature were made to speak out of order after he called up that bill he would object. I hope the Members may get an opportunity under general debate to speak. I feel I ought to make this statement, because the chairman of the Agricultural Committee asked me to make it, and if present he would himself object to unanimous-consent requests to speak on that day. I hope the gentleman will withdraw his request for the present. Maybe we can arrange to get time for him, and I assure him I will do my best.

The SPEAKER. Does the gentleman from Washington withdraw his request?

Mr. KNUTE HILL. Mr. Speaker, I withdraw the request.

CAPITAL PUNISHMENT

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the American League to Abolish Capital Punishment is seeking support for a movement to end the execution of minors.

This is certainly a step in the right direction. The movement should not end there, for the death penalty itself is a relic of barbarism and should not be in force in any civilized country, least of all in our own. It is particularly cruel and indefensible to take the life of a minor, for in later years he may become a good and honorable citizen.

"An eye for an eye, a tooth for a tooth, and a life for a life" is no longer looked upon with favor by conscientious people. This code is now recognized as out of keeping with the dictates of humanity, patriotism, and true religion. Society cannot, of course, forgive violations of law, and punishment must be imposed, but it should be punishment that affords the offender an opportunity to reform. Few men and women are really bad; it might be true to say that none are bad, for violations of law are generally due to economic reasons or to abnormal psychology. If the former, allowance should be made for the poverty of the lawbreaker or the temptation. If the latter, physical and mental treatment are needed.

The Man of Galilee—the world's greatest democrat and humanitarian—taught a kinder and more merciful code. He

laid down principles that were quite the contrary of the harsh dogmas of the Mosaic law.

Modern government should be based on such teachings rather than the severe practices of the earlier time.

ORDER OF BUSINESS

Mr. PITTENGER. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. PITTENGER. Mr. Speaker, what is the plan of the House leaders with respect to omnibus bills? Today is the day for their consideration, and the Claims Committee expected them to be reached.

The SPEAKER. That is entirely subject to the will of the House. The House is still in session.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I reserved the right to object when the gentleman from Maryland [Mr. GOLDSBOROUGH] asked unanimous consent for the consideration of a bill with reference to the R. F. C. a few moments ago. I did not reserve this right in order to object to the bill but I wanted to get some information about it and help pass it. I state this so the RECORD may show that I am in favor of the bill and want to see it passed. The bill is a most salutary one. It is absolutely necessary if the R. F. C. is to continue its support of banks in distress. It has the recommendation of Mr. Jones, Chairman of the R. F. C. His recommendation should satisfy all of us. He and Mr. Merriam and their colleagues and their legal department under James Alley have done a splendid job in their relief of distressed banks. They have rendered yeoman service to the country also in the excellent, efficient manner they have handled industrial loans, and through their R. F. C. mortgage company they have rescued many communities with their building loans and mortgages. I am more than happy to express this word of praise for Mr. Jones and his department.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 27. Concurrent resolution providing for a compilation of Federal laws administered by the Veterans' Administration.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931;

S. 3277. An act authorizing a preliminary examination of the Nehalem River and tributaries, in Clatsop, Columbia, and Washington Counties, Oreg., with a view to the controlling of floods; and

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

Mr. COCHRAN. Mr. Speaker, I think these omnibus bills are of such importance that the Members of the House ought to be present, and I therefore make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, under all the circumstances, it being so late in the day, and for other reasons, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 19, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

668. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated February 14, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Sandy River, near Troutdale, Oreg., authorized by the River and Harbor Act, approved August 30, 1935; to the Committee on Rivers and Harbors.

669. A letter from the Secretary of War, transmitting, pursuant to section 1 of the River and Harbor Act approved January 21, 1927, a letter from the Chief of Engineers, United States Army, dated February 11, 1936, submitting a report, together with accompanying papers and illustrations, containing a general plan for the improvement of Connecticut River, Conn., Mass., N. H., and Vt., for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H. Doc. No. 412); to the Committee on Rivers and Harbors and ordered to be printed, with six illustrations.

670. A letter from the Secretary of War, transmitting a draft of a bill to authorize an appropriation for construction at military posts, and for other purposes; to the Committee on Military Affairs.

671. A letter from the assistant secretary-treasurer of the National Institute of Arts and Letters, transmitting the official report of the National Institute of Arts and Letters for the year 1935; to the Committee on the Library.

672. A letter from the assistant to the president of the American Academy of Arts and Letters, transmitting the official report of the American Academy of Arts and Letters for the year 1935; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MANSFIELD: Committee on Rivers and Harbors. S. 3071. An act providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors; with amendment (Rept. No. 2018). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 419. Resolution providing for the consideration of S. 3780; without amendment (Rept. No. 2020). Referred to the House Calendar.

Mr. COLDEN: Committee on the Disposition of Executive Papers. A report on the disposition of useless papers in the War Department. (Rept. No. 2021). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 11164. A bill for the relief of Arthur Van Gestel, alias Arthur Goodsell; without amendment (Rept. No. 2019). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 10468) granting a pension to William S. Morrison, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAAS: A bill (H. R. 11280) to provide that pilots employed by companies carrying mail by aircraft shall be

organized as an aviation reserve, and for other purposes; to the Committee on Military Affairs.

By Mr. PETERSON of Florida: A bill (H. R. 11281) to authorize a preliminary examination and survey of Weeki-wachee River, Fla.; to the Committee on Rivers and Harbors.

By Mr. WITHROW: A bill (H. R. 11282) to provide for surplus reduction in the dairy industry, and for other purposes; to the Committee on Agriculture.

By Mr. SCOTT: A bill (H. R. 11283) to provide for the refunding of pay forfeited under the Legislative Appropriation Acts of 1933 and 1935 to certain enlisted members of the armed services; to the Committee on Military Affairs.

Also, a bill (H. R. 11284) to authorize a family allowance for enlisted members of the Navy; to the Committee on Naval Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi regarding the extension of cotton loans; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H. R. 11285) for the relief of Joseph Wells; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 11286) for the relief of Raleigh Alfred Barrett, Jr.; to the Committee on Claims.

By Mr. DIETRICH: A bill (H. R. 11287) granting a pension to Sarah C. Cary; to the Committee on Invalid Pensions.

By Mr. DOUTRICH: A bill (H. R. 11288) granting an increase of pension to Elizabeth Klepper; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 11289) granting a pension to Pearl E. Cox; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11290) granting an increase of pension to Louisiana Cabe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11291) for the relief of Samuel H. Kesterson; to the Committee on Claims.

Also, a bill (H. R. 11292) for the relief of Isabella Thomas Hooper; to the Committee on Claims.

By Mr. TOBEY: A bill (H. R. 11293) for the relief of Genette H. Unwin; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 11294) providing for the advancement on the retired list of the Army of A. W. Barry; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10157. By Mr. BOEHNE: Petition of Kenneth Grant, Leavenworth, Ind., and others, requesting Congress to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10158. Also, petition of James Summers, of Alton, Ind., and others, requesting Congress to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10159. Also, petition of Eliza Hancock, of Poseyville, Ind., and others, requesting Congress to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10160. Also, petition of Pollie Jones, of Winslow, Ind., and others, requesting Congress to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10161. Also, petition of Truman Corn, of Huntingburg, Ind., and others, requesting Congress to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10162. Also, petition of star-route carrier 33242, of Beechwood, Ind., and others, requesting Congress to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10163. Also, petition of William H. Wehr, of Schnellville, Ind., and others, requesting Congress to enact legislation at this session that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10164. By Mr. CUMMINGS: Petition of patrons of star route no. 65181, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10165. Also, petition of patrons of star route no. 65175, Washington County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase compensation thereon; to the Committee on the Post Office and Post Roads.

10166. Also, petition of patrons of star route no. 65171, Yuma County, Second Congressional District of Colorado, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon; to the Committee on the Post Office and Post Roads.

10167. By Mr. GUYER: Petition of citizens of Washington, D. C., urging early hearings on legislation to control motion-picture production; to the Committee on Interstate and Foreign Commerce.

10168. Also, petition of citizens of Wathena, Kans., petitioning the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

10169. Also, petition of citizens of Gaylord, Kans., petitioning the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

10170. By Mr. HALLECK: Two petitions of citizens of the Second Congressional District, State of Indiana, urging compensation for star-route carriers equal to that paid in connection with other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10171. By Mr. HOUSTON: Petitions supporting House bill 8739, containing 339 signatures of residents of Fifth District of Kansas; to the Committee on the District of Columbia.

10172. By Mr. RICH: Petitions of citizens of McKean County, Pa., favoring House bill 10756; to the Committee on the Post Office and Post Roads.

10173. Also, petitions of citizens of McKean County, Pa., favoring legislation to pay a monthly pension of \$200 to persons 60 years of age; also bill to raise taxes to meet this expenditure; to the Committee on Ways and Means.

10174. By Mr. SMITH of Washington: Petition of residents of Skamania County, State of Washington, regarding star-route mail contracts; to the Committee on the Post Office and Post Roads.

10175. By Mr. THOMASON: Petition of the commissioners' court of El Paso County, and the commissioners' court

of Terrell County, Tex., urging that unemployed people who have attempted to remain self-supporting be employed on Works Progress Administration projects; to the Committee on Ways and Means.

10176. By Mr. TOBEY: Petition of Howard T. Woodward and 133 other patrons of Milan and Berlin, N. H., and users of star route no. 2102 in New Hampshire, asking Congress to enact legislation to extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10177. By Mr. WHITE: Petition of patrons of star route 70162 from Salmon to Gibbonsville, Idaho, urging the enactment of legislation at this session which will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10178. By the SPEAKER: Petition of the United Mine Workers of America; to the Committee on Labor.

10179. Also, petition of Juan Sabares; to the Committee on Insular Affairs.